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ABSTRACT

This document records the oral and written testimony of persons who testified before or prepared reports for a Congressional hearing on the usefulness of the JOBS (Job Opportunities and Basic Skills Program). Witnesses included persons who had participated in the programs as well as state and local administrators of JOBS programs, national organizations, and Congressional representatives. Testimony showed that the JOBS program had produced some useful results in training and placing people in jobs. Witnesses stressed that such efforts were successful only when they provided child care and job placement, especially if attention was paid to the types of jobs in which people were placed. Witnesses stressed the importance of the Earned Income Tax Credit and the need to pass some type of health care legislation for the working poor so that they are better off working than being on welfare. Problems with the JOBS program included the following: lack of money, resulting in long waiting lists; emphasis on participation rather than on outcomes; and lack of good of jobs available for people who were trained. (KC)

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HEARING ON THE JOB OPPORTUNITIES AND BASIC SKILLS PROGRAM: VIEWS FROM PARTICI- PANTS AND STATE ADMINISTRATORS

HEARING
BEFORE THE
SUBCOMMITTEE ON HUMAN RESOURCES
OF THE
COMMITTEE ON EDUCATION AND LABOR
HOUSE OF REPRESENTATIVES
ONE HUNDRED THIRD CONGRESS
SECOND SESSION

HEARING HELD IN WASHINGTON, DC, APRIL 19, 1994

Serial No. 103-66

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HEARING ON THE JOB OPPORTUNITIES AND BASIC SKILLS PROGRAM: VIEWS FROM PAR- TICIPANTS AND STATE ADMINISTRATORS

TUESDAY, APRIL 19, 1994

HOUSE OF REPRESENTATIVES,
COMMITTEE ON EDUCATION AND LABOR,
SUBCOMMITTEE ON HUMAN RESOURCES,
Washington, DC.

The subcommittee met, pursuant to call, at 9:30 a.m., Room 2261 Rayburn House Office Building, Hon. Matthew G. Martinez, Chairman, presiding.

Members present: Representatives Martinez, Scott, Woolsey, Romero-Barcelo, and Castle.

Staff present: Christine Johnson, legislative fellow; Lester Sweeting, staff director/counsel; Kate O'Sullivan, staff assistant; Gary Visscher, Minority professional staff.

Chairman MARTINEZ. Good morning. I would like to open the hearing and welcome my colleague, Bobby Scott. We are holding this hearing today to discuss job opportunities and basic skills for job training programs, which I believe is a cornerstone to welfare reform.

In recent months we have heard a great deal about the Clinton Administration's plans to reform welfare, beginning with the President's campaign pledge where he said to end all welfare as we know it. Democrats and Republicans alike have been debating the causes of and the solutions to welfare dependency.

The conditions that put the people into poverty and keep them there are complex. Finding a cure for them won't be easy, but perhaps today we can begin. One solution that has shown some promise among the AFDC recipients is a job training program.

The JOBS program addresses some of the root causes of poverty: lack of quality of educational opportunities, the need for hands-on training in marketable skills, and the development of qualities that help people survive the struggling in the low wage labor market.

I want to take this opportunity to thank Mary Jo Bane from the administration's Welfare Reform Task Force for appearing before this subcommittee today. As the discussion around welfare reform has progressed, many of you know President Clinton's task force has expressed its interest in expanding and improving the JOBS program. And I would like to encourage them to pursue that idea with a special care to details.

One of my main concerns with regard to job training program is how it will be integrated into the President's plan for the one-stop

skills center for the unemployed. A person who is a single parent on welfare or a single parent on AFDC or a couple on welfare or one who is just part of a family who is unemployed because of the plant closing, are all in the same boat. They all need a job.

They need access to training programs and services that are most appropriate for them and that will be most effective in getting them a job and moving them and their families out of poverty.

Part of increasing the JOBS program's effectiveness will also include strengthening the provisions for child care, transportation, and other crucial support services that allow people to participate in training programs and to work.

We need to insure that the parents who are spending their days improving their job skills know that their children will be well cared for in a quality developmental setting. And we need to do this without undermining child care funding intended for the working poor.

We also need to think about how we are measuring the success of the JOBS program. Do the participation rates paint the real picture, or should we be looking more closely at how many participants finally end up in jobs where they can support their families above the poverty line?

Finally, we need to reconsider funding mechanisms for JOBS. In 1988, the Family Support Act mandated the creation of the Jobs Opportunities and Basic Skills training programs in every State and set a goal of 11 percent participation of eligible AFDC recipients for 1991 through 1993. Unfortunately, many of those eligible recipients couldn't participate in the program because there were insufficient dollars to support the spaces needed.

In 1992, \$1 billion Federal dollars were appropriated for JOBS but States were only able to use about one-third of that amount because the States could not provide the matching funds.

If we are going to expand the JOBS program to the degree that we are discussing here today, we must reexamine that financing structure and transform it into one that works.

I am very excited to hear the testimony today from the most important group of people with regard to the JOBS program—its clients. We will hear today from several successful JOBS participants, women who were on welfare and got education and skills they needed to find employment.

We will also hear from welfare recipients who qualified to participate in the program and who really want to participate in the program, but can't because the funds aren't there for the number of slots needed. I appreciate all of you taking your time from your jobs and families to be here with us today.

I also want to welcome our other witnesses who have unique perspectives to the JOBS program. We will hear from a panel of researchers who have done valuable work in studying the JOBS program.

One of the witnesses, Jennifer Vasiloff, is the author of "Unheard Voices," a survey of JOBS participants across the country. Accompanying her is Mark Greenberg from the Center on Law and Social Services. Thank you both for coming.

Finally, we will be hearing from Ray Scheppach, executive director of the National Governor's Association, and Larry Jackson, the

Virginia Commissioner of Social Services. Both of these witnesses will give us the view of States in this process of expanding and improving the JOBS training program.

Let me finally say that JOBS is a good program. Studies have been done in California and Florida that have shown that JOBS programs in those States when they had the matching funds available have shown some promise in training, educating, and employing AFDC recipients.

So I am hopeful that we will hear today what we need to do to make good on a promise that the JOBS training program holds for the participants as part of achieving real welfare reform. I look forward to hearing from all of you and would like to invite the other members of the subcommittee to make any opening remarks.

[The prepared statement of Hon. Matthew G. Martinez follows:]

STATEMENT OF HON. MATTHEW G. MARTINEZ, A REPRESENTATIVE IN CONGRESS FROM
THE STATE OF CALIFORNIA

Good morning and welcome.

We are holding this hearing to discuss the Job Opportunities and Basic Skills, or JOBS, training program, a cornerstone to welfare reform.

In recent months, we have heard a great deal about the Clinton Administration's plans to reform welfare.

Beginning with the President's campaign pledge to "end welfare as we know it," Democrats and Republicans alike have been debating the causes of and solutions to welfare dependency.

The conditions that put the people into poverty and keep them there are complex—finding a cure for them won't be easy, but perhaps today we can begin.

One solution that has shown some promise among AFDC recipients is the JOBS training program.

The JOBS program addresses some of the root causes of poverty—lack of quality educational opportunities; the need for hands-on training in marketable skills; and development of the qualities that help people survive in a struggling low-wage labor market.

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As the discussions around welfare reform have progressed, President Clinton's task force has expressed its interest in expanding and improving the JOBS program, and I would encourage you to pursue that idea, with a care to the details.

One of my main concerns with regard to the JOBS training program is how it will be integrated into the President's plans for "one-stop" skills centers for the unemployed.

A person who is a single parent on welfare and one who is part of a two-parent family and unemployed because of a plant closing are in the same boat.

They need access to training programs and services that are most appropriate and will be the most effective in getting them a job and moving them and their families out of poverty.

Part of increasing the JOBS program's effectiveness will also include strengthening the provisions for child care, transportation, and other crucial support services that allow people to participate in training and education programs.

We need to ensure the parents who are spending their days improving their job skills know that their children will be well cared for in a quality developmental setting—and we need to do this without undermining child care funding intended for the working poor.

We also need to think about how we're measuring the successes of the JOBS program.

Do the participation rates paint the real picture, or should we be looking more closely at how many participants finally end in jobs where they can support their families above the poverty line?

Finally, we need to reconsider the funding mechanism for JOBS.

In 1988, the Family Support Act mandated the creation of a Job Opportunities and Basic Skills training program in every State and set a goal of 11 percent participation of eligible AFDC recipients for 1991 through 1993. Unfortunately, many of those eligible recipients couldn't participate in the program because there were insufficient dollars to support the spaces needed.

In 1992, \$1 billion Federal dollars were appropriated for JOBS, but States were only able to use about one-third of that amount because they could not provide the matching funds.

If we're going to expand the JOBS program to the degree being discussed, we must reexamine this financing structure and transform it into one that works.

I am very excited to hear testimony today from the most important group of people with regard to the JOBS program—its clients.

We will hear today from several successful JOBS participants—women who were on welfare and got the education and skills they needed to find employment.

We will also hear from welfare recipients who qualify to participate in the program—and who really want to participate—but can't because funds aren't there for the number of slots needed.

I appreciate all of you taking the time from your jobs and families to be here with us today.

I also want to welcome our other witnesses who have unique perspectives to the JOBS program.

We will hear from a panel of researchers who have done valuable work in studying the JOBS program. One of the witnesses, Jennifer Vasiloff, is the author of *Unheard Voices*, a survey of JOBS participants across the country. Accompanying her is Mark Greenberg from the Center on Law and Social Services. Thank you both for coming.

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Both of these witnesses will give us the view of the States in this process of expanding and improving the JOBS training program.

Let me finally say, JOBS is a good program.

Studies done in California and Florida have shown that JOBS programs in those States, when they had the matching funds available, have shown some promise in training, educating, and employing AFDC recipients.

So I'm hopeful that we will hear today what we need to do to make good on the promise that the JOBS training program holds for some participants as part of achieving real welfare reform.

I look forward to hearing from all of you.

I would now like to invite the other members of the subcommittee to make any opening remarks.

Mr. Scott.

Mr. SCOTT. Thank you, Mr. Chairman. I am pleased to join you in this hearing on the JOBS program. This program has proven to be an important component of the effort to reform welfare in this country, and I suspect that JOBS will continue to be a part of the effort to change welfare as we know it.

Virginia is one of the first States to implement the JOBS programs statewide. I served on an advisory group to the Virginia Department of Social Services when I served in the State Senate of Virginia as it planned to implement the program, and I am pleased to be able to welcome to this committee the architect and builder of the Virginia JOBS program, my good friend, Larry Jackson, the Commissioner of the State Department of Social Services, who will be here in his capacity as an official with the American Association of Public Welfare.

Under Mr. Jackson's leadership, by the end of the first year, Virginia's JOBS program had more than three times the required percentage of participants and had placed thousands of welfare recipients in jobs, at a savings of several million dollars in welfare payments.

And so, Mr. Chairman, I look forward to hearing Mr. Jackson's testimony and that of our other witnesses you have assembled to tell us of their experiences with the JOBS program and the ways that we might improve it.

I notice, Mr. Chairman, that you had people who have done research on the area, and one of the problems we have had in social service policy and crime policy is the lack of research. So I am delighted to see that you have included this in the list of witnesses, along with the recipients of the service who were in the front line and can tell us exactly what needs to be done.

I look forward to working with you, Mr. Chairman, in your efforts to change our welfare system from a system which appears to entrap individuals in poverty to one which facilitates their transition to self-sufficiency.

Thank you.

Chairman MARTINEZ. Thank you, Mr. Scott. Ms. Woolsey.

Ms. WOOLSEY. Thank you, Mr. Chairman. Thank you, and I want to commend you for holding this timely hearing, but for doing something else absolutely critical that most other committees haven't done up until now, and that is to ask welfare recipients, those who have experienced this system and how it works, to come here and talk to us about what they would change. I really appreciate that.

As a former welfare recipient myself, I have a unique perspective that no one else in Congress has. And my reform bill, which fundamentally changes the welfare system, will be introduced next week. And it's not based on theory. It's based on experience, the kind of experience we are going to hear today.

Today we will be discussing the JOBS program, which was set up under the last attempt at welfare reform in 1988. And I applaud the goals of the JOBS program to train and educate welfare recipients for work.

Although it has shown some measure of success, it has come under fire recently for failing to make significant strides in getting families off welfare permanently. We must build on the successes and learn from the failures of this program, Mr. Chairman.

The major focus of my bill will be to change the JOBS program by shifting its focus. The JOBS program must train people for jobs that families can afford to live on and jobs which will actually be in their communities once the training ends.

We must empower individuals to become permanently self-sufficient. In looking over the testimony, I see that both Ms. Vasiloff and Mr. Greenberg's testimony address these points and I look forward to discussing them in detail.

In order for the JOBS program to be truly successful, we must have available, affordable child care. I am very concerned about the two problems in this regard. First, there is a severe lack of affordable, high-quality child care available in communities.

Second, information about support services necessary to maintain a job, such as child care and transportation, is simply not being brought to the attention of recipients who are making the difficult transition from AFDC to work.

If we are to stop cycling people off and on welfare, we need real change. That means a training program that really works and the support services necessary to make that work possible.

I look forward, Mr. Chairman, to hearing from our distinguished panel today, their thoughts about addressing these issues, and the changes that they will raise.

Thank you very much, and welcome, panelists.
[The prepared statement of Hon. Lynn C. Woolsey follows:]

STATEMENT OF HON. LYNN C. WOOLSEY, A REPRESENTATIVE IN CONGRESS FROM THE
STATE OF CALIFORNIA

Thank you, Mr. Chairman. I want to commend you not only for holding this timely hearing, but for doing something absolutely critical that other committees have not had the foresight to do. And that is to ask welfare recipients how the system works for them and what they would change.

As a former welfare recipient myself, I have a unique perspective that no one else in Congress has. My welfare reform bill, which fundamentally changes the welfare system and which I will introduce next week, is not based on theory. It is based on experience.

Today, we will be discussing the JOBS program, which was set up under the last attempt at welfare reform in 1988. I applaud the goals of the JOBS program—to train and educate welfare recipients for work. Although it has shown some measure of success, it has come under fire recently for failing to make significant strides in getting families off welfare permanently.

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Second, information about support services necessary to maintain a job, such as child care and transportation, is simply not being brought to the attention of recipients who are making the difficult transition from AFDC to work.

If we are to stop cycling people off and on welfare, we need real change. That means a training program that really works and the support services necessary to make work possible.

Chairman MARTINEZ. Thank you, Ms. Woolsey. I would like to call up our first witness, who is Mary Jo Bane of the Department of Health and Human Services. In recent months Dr. Bane has served as one of the cochairs of President Clinton's Welfare Reform Task Force.

I want to thank you very much for taking the time to appear before us today to discuss this program, and I want to commend you and the group that you have been leading on the work you have done and I look forward to hearing your testimony.

Your written testimony will be put into the record in its entirety and you can proceed any way you wish.

**STATEMENT OF MS. MARY JO BANE, ASSISTANT SECRETARY
FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH
AND HUMAN SERVICES**

Ms. BANE. Thank you. Mr. Chairman, Members of the subcommittee, I appreciate the opportunity to appear before you today to talk about the JOBS program, child care and welfare reform. I also very much appreciate your interest in welfare reform and your commitment to considering it. Thank you for that.

During the past 10 months I, along with the other two cochairs of the working group and the members of the working group, have been visiting programs, talking to welfare recipients, meeting with many concerned people around the country to understand what is wrong with welfare, what's right with the present system, and how we can build on it.

We found, as I know you find, that our current system is, in many ways, at odds with the core values that Americans share: the values of work, responsibility, opportunity, family.

With the exception of some of the very good JOBS programs, which I know that you will hear about today, the present reality is that in too many cases people who go on welfare are not offered the help they need to go to work. And they often find that when they do go to work, they are worse off than they were while on welfare.

At our public hearings around the country, the most compelling testimony often came from clients who were frustrated by the barriers that were placed in their way when they attempted to assume responsibility for supporting their families.

I am honored to be followed at the hearing today by a panel of participants in the JOBS program and in the welfare system, and I am delighted that this subcommittee is building from their experience.

We heard so many compelling stories, as I know you will. One of the women at the hearings, who was talking about trying to get off welfare and going to work, said it's like a roller coaster. "I mean once you get up there, get out there, you realize you can't pay for medical, you can't pay for child care, you can't pay for transportation, and then you wonder why you are working. It doesn't make any sense why you're putting in all those hours and working, and you're not getting anywhere. It's like a vicious cycle that everyone gets caught up in."

Stories like this one make a strong argument for all of us to work together to change that vicious cycle. As you know, through the Family Support Act of 1988, Congress made major changes to incorporate the principles of work and responsibility into the welfare system.

It set in place expectations that families, not the government, are responsible for the well-being and support of children. It recognized the need for investment in education, training, and employment of welfare recipients, as well as in child care and medical assistance to help them make the transition from welfare to work. It also introduced the expectation that welfare reciprocity is a transitional period of preparation for self-sufficiency.

While States have, by and large, met the formal implementation goals of the Family Support Act, we really can't say that the full promise of the Act has been met. Just as the States were attempting to implement this major legislation, child support case loads were growing in complexity, the AFDC program was experiencing extraordinary growth, and State budget shortfalls made it difficult for the States to commit the dollars necessary for accessing the Federal matching funds.

But I don't want to imply that no progress is being made. A great deal has been made. Recent findings from the evaluation of California's GAIN program and Florida's Project Independence reaffirm that education, training, and employment programs can substantially reduce dependency.

Last summer I had the pleasure of visiting the JOBS program in Riverside, California. Everywhere I turned in the Riverside of-

fice I saw the same very clear message: the purpose of that office was to help get AFDC clients employed.

Staff understood what was expected of them. They were empowered to meet clients' needs. They had manageable case loads and the flexibility to provide services on a case-by-case basis. Individuals needing education and training services got them. The services were provided in the context of a specific work objective and specific employment expectation.

Using this approach, the Riverside program has been able to achieve the largest impact among any of the six counties in the GAIN program that were evaluated.

Both in the implementation of JOBS and in designing welfare reform, we on the Task Force are working closely with other Federal agencies to enhance coordination of programs that affect families on welfare.

For example, the Departments of Health and Human Services, Labor, and Education have cosponsored and funded the JOBS technical assistance contract. We have been working closely with those two departments as we design the administration's approach to welfare reform to insure that programs are, in fact, coordinated.

In addition to the JOBS program, the Administration for Children and Families administers a variety of programs to help low-income families obtain child care services. The Child Care and Development Block Grant provides Federal funds to the States for child care assistance, and Title IV-A of the Social Security Act provides Federal funds for Child Care for AFDC Recipients, Transitional Child Care, and At-Risk Child Care.

We estimate that more than one million children are receiving child care from these sources now. In addition to these programs, ACF administers the Head Start program and the Social Services Block Grant, which also provide funds for child care.

The administration is committed to providing leadership to improve both the quality and the accessibility of child care. At the Federal level we are developing a set of regulatory proposals designed to remove barriers to the coordination of child care and to support States in improving quality.

These proposed changes, currently under review, resulted from monitoring reviews and consultations with a wide variety of individuals around the country. I am pleased to tell you that we expect to publish these regulations in the near future.

In closing, we very much look forward to working with you and with the committee to meet the enormous and historic challenge of fulfilling the promise of the Family Support Act. Creating a system that helps and expects people to become self-sufficient will be daunting, but doing so truly will result in an end to welfare as we know it and in improvements in the lives of those who must rely on welfare.

Thank you.

[The prepared statement of Ms. Bane follows:]



DEPARTMENT OF HEALTH & HUMAN SERVICES

STATEMENT BY

MARY JO BANE

ASSISTANT SECRETARY FOR CHILDREN AND FAMILIES

ADMINISTRATION FOR CHILDREN AND FAMILIES
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

BEFORE THE

HOUSE COMMITTEE ON EDUCATION AND LABOR
SUBCOMMITTEE ON HUMAN RESOURCES

APRIL 19, 1994

Mr. Chairman, Members of the Subcommittee, thank you for the opportunity to appear before you this morning. As one of the co-chairs of the President's Working Group on Welfare Reform, Family Support and Independence, I am very pleased to have this opportunity to talk about our experiences meeting and speaking with participants in the Job Opportunities and Basic Skills Training program (JOBS). My testimony will focus on what we have learned from examining the effectiveness of the current JOBS program, as well as from these discussions across the country. In addition, given the interest of this Subcommittee in the link between child care and employment, I would like to provide an overview of the child care programs administered by the Administration for Children and Families (ACF) in the Department of Health and Human Services.

Last June, the President appointed a Working Group on Welfare Reform to develop a plan for reforming welfare that would be built around the basic values of work and responsibility. During the past ten months, I, along with David Ellwood, Bruce Reed and the rest of the Working Group, have been visiting programs, talking to welfare recipients, and meeting with many concerned people around the country to understand what is wrong with our present system and to develop strategies for change.

We found that our current system is at odds with the core values Americans share: work, family, opportunity, responsibility. While we believe that work is central to the strength, independence and pride of American families, the present reality is that people who go to work are often worse off than those on welfare.

I will present some of our observations and conclusions about the successes of our current programs, with particular attention to JOBS and child care, and will describe a vision of the system we would like to work with you to create.

The Need for Change

Over the last 10 months, members of the Working Group on Welfare Reform, Family Support and Independence have learned firsthand about how the existing welfare systems work, how they affect both clients and workers, where the problems are, and where some of the potential solutions are. We visited welfare offices, talked to clients and staffs, and observed the application process. We also conducted five public hearings throughout the country. We listened to eloquent and often impassioned testimony from individuals and organizations about the strengths and flaws in the current system, as well as their ideas on how to fix it.

everywhere we went, we heard agreement about the need for significant change.

The most compelling testimony came from clients who were frustrated by barriers that were placed in their way when they attempted to assume responsibility for supporting their families. Their stories make a very strong argument for the need to make changes in the organizational culture of the system. We heard such revealing and impassioned statements as, "I think it's like a roller coaster. Once you get up there, you realize you can't pay for medical, you can't pay for child care, you can't pay for your transportation, and then you wonder why you are working. It doesn't make any sense why you're putting in all these hours and work and you're not getting anywhere. It's like a vicious cycle that everyone gets caught up in."

At our Washington, D.C. Public Forum in August of 1993, individuals with welfare experience -- Patty Lesefski from Silver Spring, Md., and Sheila Wier and Monique Nickens from Virginia -- testified about the current system's inability to respond to their desires to become independent and self-sufficient. They expressed determination to do more than collect a welfare check so that they could end the emotional and financial devastation of being needy and provide a stable environment for their children. But they also spoke about how their determination was thwarted by an unyielding and unresponsive welfare system which punished them for trying to become independent. They cited their inability to obtain support services like child care and training which were theoretically available but difficult to access. They also spoke about how hard the system came down on them when they took the initiative to get a job and how difficult it was to become financially secure without child support or medical coverage.

At our California Public Forum in October 1993, we heard from Sherri Smith, who had not been able to participate in GAIN because there are not enough slots. She emphasized the critical link between child care and self-sufficiency: "Without the money for child care that GAIN would provide, it's impossible for me to go to school and finish my education. And education, for me, means a career that will allow me to make the kind of money that I can--that I need--to support my children."

Margaret Gray, a former Alameda County GAIN participant, now works full-time as a legal secretary. She described her positive experience, "Another essential component of GAIN is child care, without which none of the goals I have achieved would be attainable. I chose who I wanted to watch and nurture my child."

In observing eligibility interviews in welfare offices across the country, I think all of us have been struck that the entire focus of the questioning is on applicants' paperwork, rather than aspirations and needs. Time and again we heard from clients:

"They give you a whole lot of papers to sign, but they don't explain them to you."

"The welfare office needs to find out what your problem is when you walk in there. Everybody who walks in that door had something happen to them that made them financially dependent that they needed to go for help."

"They [welfare workers] can [help], but they don't want to."

During these encounters the most important question may never be asked: "What can we do together to help you begin the process of becoming independent?" It was disappointing to us that we did not hear this question more often.

THE JOB OPPORTUNITIES AND BASIC SKILLS TRAINING PROGRAM

As you know, through the Family Support Act of 1988, Congress made major changes to the welfare system and the child support enforcement program, which were designed to focus these systems on family independence. That legislation incorporated the principles of work and responsibility into the welfare system. It set in place expectations that families -- not the government -- are first and foremost responsible for the well-being and support of their children; that even if they do not live with their children, parents are obligated to support them. It recognized the need for investment in the education, training and employment of welfare recipients, as well as in child care and medical assistance to help them make the transition from welfare to work. It also introduced the expectation that welfare reciprocity is a transitional period of preparation for self-sufficiency.

We have only made a down payment on the Family Support Act's goals for welfare reform. While States have met most of the formal implementation goals of the legislation to date, we cannot say that the full promise of the Family Support Act has been met. Just as States were attempting to implement this major legislation, the child support caseloads were growing increasingly complex, and AFDC programs were experiencing extraordinary increases in caseloads (i.e., 33 percent growth between July 1989 and July 1993). These changes strained available staff resources and agency budgets. Also, recession-related State budget shortfalls were temporarily making it very difficult for States to commit the State dollars necessary for accessing Federal matching funds, and demographic trends indicated that problems with long-term welfare dependency were likely to continue to grow. Within this difficult environment, institutional inertia slowed progress, and we learned firsthand about the difficulties inherent in changing the culture and mission of large institutional systems.

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Impact of the JOBS Program

I do not want to imply that no progress is being made. Recent findings from the evaluations of California's Greater Avenues for Independence (GAIN) program and Florida's Project Independence reaffirm that education, training, and employment programs implemented in a variety of circumstances can substantially reduce dependency. Because of its longer follow-up period, I will focus on GAIN, but I want to point out that impacts for Project Independence are similar to what GAIN's were at the same point, and that California and Florida account for over one-fifth of the nation's AFDC recipients.

As you know, GAIN is a statewide initiative that predated the implementation of JOBS, but now serves as California's JOBS program. The GAIN evaluation was designed and begun prior to the implementation of JOBS, but continued as the GAIN program was converted to JOBS. It gives us an early indication of the impact we might expect from the JOBS program.

According to Manpower Demonstration Research Corporation's (MDRC) preliminary findings, five of the six counties studied showed moderate-to-large gains in earnings and/or welfare savings. Across all six counties, earnings for registered single parents increased 21 percent (using an unweighted average) over the control group (with 24 percent increases in the second year). Welfare payments were reduced six percent (seven percent in the second year).

There are some equally encouraging data regarding GAIN's effects on employment and case closures. Twenty-nine percent of single parents were working at the end of the follow-up period -- a statistically significant, 25 percent increase (using an unweighted average) over the 23 percent employment rate for the control group. Three counties showed a significant decline (ranging from 3.1 to 11.5 percent) in the proportion of registrants who were receiving AFDC at the end of two years. Further, larger effects may emerge as the registrants who have only recently started education and training components become job-ready.

Despite the difficulties involved in changing the culture of the welfare system, there are examples of JOBS programs that are changing how recipients and agencies view their responsibilities, and I will highlight a couple. Replicating programs such as these, I believe, is one key to building effective JOBS programs across the country.

Riverside

The first example is in Riverside, California, one of the six counties being evaluated by the Manpower Demonstration Research Corporation (MDRC) as part of its study of the GAIN program. (GAIN is the name of the JOBS program in California.) I had the pleasure of visiting the JOBS program in Riverside last summer. This program provides a marvelous example of what it means to institute a change in agency culture. Everywhere I turned in the Riverside office, I saw the same clear, simple, and unequivocal message. The purpose of everyone there is to get AFDC clients employed. I heard the same message from Larry Townsend, the county director, as from line workers and recipients. It is conveyed during orientations, job clubs, and at all opportunities; it is also presented in slogans on posters, bumper stickers and lapel buttons. Work is valuable, and it is the means to a real future.

Staff understand what is expected of them. They are enthusiastic about their work and are able to transfer that enthusiasm to their clients. They are given the tools to accomplish their jobs, and they are empowered to meet their clients' needs. They have manageable caseloads and the flexibility to provide services on a case-by-case basis. They are responsible not just for getting clients employed, but also for resolving problems that might keep them from staying employed. The emphasis on employment is reinforced through very specific placement goals, an aggressive job development and placement process, performance-based contracts, and ongoing, hands-on case management. Individuals needing education and training services can get them, but services are provided only in the context of a specific work objective.

Using this approach, the Riverside program has been able to achieve the largest impact among any of the six counties in the GAIN evaluation and the most significant impact we have ever seen in any large-scale study of welfare-to-work programs. After two years, MDRC found average increases in earnings by the experimental group of \$2,099, or 55 percent (over the control group average), and reductions in welfare payments of \$1,397, or 14 percent (again compared to the control group average).

While the results in Riverside county need longer-term evaluation, I think it is clear that changing the organizational culture makes a very big difference. It is important that the managers of welfare agencies convey the message about the value of work and responsibility clearly to staff and sufficient numbers of recipients. If the vast majority of adult recipients are exempt, deferred or excused (as happens in minimal JOBS programs), it is impossible to change the organizational culture of the system.

Kenosha

A second JOBS program I would like to mention is that of Kenosha County, Wisconsin. Kenosha resembles Riverside in its emphasis on early and extensive interventions. The unique aspect of this program comes in the structure Kenosha County has developed to provide its services. In addition to JOBS program employees, income maintenance technicians, child support staff, job service placement counselors, training coordinators, and remedial education instructors are co-located at the Job Center. Kenosha's design offers program participants "one-stop shopping," so to speak. Co-location serves the dual function of ensuring that participants have easy access to the programs and activities they need and of helping staff from different agencies work together to assist participants more effectively and more efficiently. Programs like Kenosha's build teams and foster a collaborative environment, promote better communication across agencies, and simplify service delivery. Kenosha's experience suggests that co-location can improve service to welfare clients. In 1992, the Kenosha program achieved an average monthly participation rate in excess of 40 percent, substantially higher than the Federal requirement.

As we undertake to build on the provisions of the Family Support Act, we need to build upon the experiences of Kenosha, Riverside, and other programs, such as New Jersey's teen parent program and the JOBS program in Kentucky. We must look for ways to expand the use of some of the practices they employ, including how they set goals and priorities, utilize staff, coordinate and contract with existing resources in the community, and otherwise change the organization structure of the welfare system.

JOBS Program Coordination

One of the greatest challenges -- and successes -- in implementing the JOBS program has been the development of cooperative and coordinated relationships with other programs and agencies. For the JOBS program to help families achieve self-sufficiency, it must, of course, work with traditional education and training providers. But equally important, the additional links to child care programs, community-based organizations, community colleges, economic development programs, and literacy initiatives help JOBS provide the broad range of services that participants so often need.

Since the implementation of JOBS, we have worked closely with other agencies at the Federal level to enhance coordination for human resource development programs that impact families on welfare. We have established especially strong and productive relationships with the Departments of Labor and Education. The Departments of Health and Human Services, Labor, and Education

have co-sponsored and funded the JOBS technical assistance contract. Under the contract, we have held national and regional conferences and developed training materials and other publications. This year we have focused much of our effort on a series of regional workshops, entitled "Fostering Service Integration: New Directions/New Ideas," which are designed to help State and local "interagency" teams -- made up of JOBS, JTPA, and Education -- discuss and plan new and better approaches to providing integrated services to welfare recipients.

Although the JOBS technical assistance contract is ending, I am confident that the linkages we have forged will continue to serve us well as this Administration undertakes its efforts in welfare reform, re-employment programs, school-to-work initiatives, and other education reform efforts.

Although there are other examples of interagency coordination, DOL and HHS's collaboration in providing guidance and training on the Job Training Partnership Amendments of 1992 is especially noteworthy. We worked closely at the Federal level to provide guidance and training opportunities to both the JOBS and JTPA systems on the impact of the Amendments on inter-related program provisions.

State and local programs also have made great strides over the last several years in developing effective collaborative arrangements. One of the programs that I discussed earlier, Kenosha, is an excellent example of State and local agencies overcoming the obstacles of different intake forms, different agency philosophies, and the status quo to operate programs that effectively and efficiently serve JOBS participants. We hope the encouraging results in this programs, and similar programs, will persuade more States to form joint ventures or other forms of cooperation to take advantage of the opportunities for coordination that are available to them. And we in ACF will continue to work to remove barriers to such collaboration.

CHILD CARE

ACF administers a variety of programs to help low-income families obtain child care services. ACF child care services focus on assisting individuals in low-income families who are employed, or in education and training for employment, and who need child care to achieve self-sufficiency.

The Child Care and Development Block Grant (CCDBG) provides federal funds to the states for child care assistance, and title IV-A of the Social Security Act provides federal funds for Child Care for AFDC Recipients, Transitional Child Care, and At-Risk Child Care. We estimate that more than one million children are

receiving child care from these sources. At a minimum, this care is subject to applicable standards of State and local law. In addition, all providers receiving funds under the CCDBG program must meet certain health and safety requirements set by the States, including control of infectious diseases.

What follows is an overview of each child care program administered by ACF:

The Child Care and Development Block Grant (CCDBG) provides low-income families with the financial resources to access child care. In addition, CCDBG increases the availability of early childhood development and before- and after-school child care services and provides funds to improve child care quality and supply. Funds are available to States, Indian Tribes and territories to provide grants, contracts, and certificates for child care services for low-income families. To be eligible, a family must need child care because a parent is working, or attending a training or educational program, or because the family receives or needs to receive protective services.

In FY 93, there were 269 grantees (and a host of private, non-profit entities functioning as subgrantees) receiving CCDBG funds, including 52 States, 4 Territories and 213 Indian Tribes. Preliminary data indicate that more than half a million children received child care services paid for in whole or part with Block Grant funds.

AFDC Child Care. The Family Support Act of 1988 amended title IV-A of the Social Security Act to provide child care for individuals receiving benefits through the Aid to Families with Dependent Children (AFDC) program. This financial support allows them to pursue employment or approved education or training which will help them to become economically self-sufficient. The Federal match is at the variable FMAP (or Medicaid) rate for services and 50 percent for administration.

Working recipients may receive child care benefits through this program or through their AFDC payments. Working recipients who pay for their own child care may have their child care costs disregarded when determining how much of their income is counted for AFDC eligibility and payment purposes. Current law provides for a child care disregard of up to \$175 per month for each child at least two years of age and \$200 per month for those under 2. In FY 92, the States reported serving an average of 175,000 families and 275,000 children per month. Of these families, approximately 60 percent participated in the JOBS program.

Transitional Child Care (TCC). TCC is another child care entitlement component of Title IV-A. Under TCC, child care assistance is provided for up to 12 months after an individual leaves AFDC as a result of increased work hours, higher wages, or the loss of time-limited earned income disregards.

Use of transitional child care has continued to grow since it first was made available in April 1990. In FY 91, the average monthly number of families served was fewer than 24,000. Preliminary data for FY 93 indicate that nearly 52,000 families and 81,000 children were served in an average month under this program.

The At-Risk Child Care Program (ARCC) provides States the option, under title IV-A, of providing child care to low-income working families who are not receiving AFDC, who need child care in order to work, and, without child care, are at risk of becoming dependent on AFDC. The At-Risk Child Care Program is a capped entitlement of \$300 million and requires a State match. For FY 92, 26 States voluntarily reported serving an average of 67,000 families and 131,000 children per month. Currently 49 States and the District of Columbia have received approval to operate the At-Risk Child Care program.

Other ACF Sources of Support for Child Care

In addition to these programs, ACF administers the Head Start Program and the Social Services Block Grant. Head Start now serves more than 721,000 children across the country, providing comprehensive services including education, parent involvement, health and social services.

For FY 92, 49 States report paying for child care through the Social Services Block Grant (SSBG). The type of services and activities funded through this program vary widely among States. While data are limited, based on anecdotal evidence and State expenditure reports, we have concluded that States are not relying as heavily on this program to fund child care services as they did prior to the passage of major child care legislation in 1990.

Coordination Among Child Care Programs

This Administration is committed to providing leadership to improve the quality and accessibility of child care. At the Federal level, ACF took a number of steps in 1993 to help ensure coordination and quality of care. One major outcome of these efforts is the development of a set of regulatory proposals designed to remove barriers to coordination of child care services and to support States in improving the quality of care.

These proposed changes, currently under review, resulted from monitoring reviews and consultations with a wide variety of individuals and organizations across the country. I am pleased to inform you that we expect to publish these proposed regulations in the near future.

Child Care and Welfare Reform

Child care is critical to the success of the JOBS program and to our efforts to reform the welfare system. It is essential that we provide child care support for parents receiving assistance who will be required to participate in education, training and employment. It is also essential that we provide child care support for low-income families in order to "make work pay" and to enable parents to remain in the work force.

This Administration already has taken steps to move in this direction. In President Clinton's FY 1995 budget, there is an increased financial commitment to strengthening the current child care programs. For example, the budget includes a request of almost \$1.1 billion for the Child Care and Development Block (CCDBG). The request represents an increase of \$172 million in discretionary child care funding (compared to the amount provided in FY 94) for the CCDBG and the three smaller discretionary programs that we are proposing to consolidate with the CCDBG in FY 95.

In addition, the President has demonstrated his strong support for the Head Start program, which primarily serves children from low-income families--84 percent of the children are from families with incomes under \$12,000 and over 50 percent of the children are AFDC recipients. In his FY 1995 budget the President proposed an increase of more than 20 percent in the funding level for this critical program for children from low-income families. This requested funding increase, along with the recent introduction of the Head Start Reauthorization bill, with historic bipartisan, bicameral support demonstrated a united interest on the part of the Administration, Congress, the Head Start community, and experts from the field of early childhood development in charting a course to ensure Head Start's continued success both now and into the next century.

CONCLUSION

Through the Family Support Act and other State and local initiatives, we have gained a better understanding of how our welfare programs work and about the effectiveness of some alternative program models. The experience and perspective which recipients, advocates, community-based organizations, State and

local officials, and researchers have shared with us has also been very instructive in helping us develop our proposals.

If we are to transform the culture of the welfare system, Federal agencies, particularly ACF, need to focus more attention on how States perform in helping clients become self-sufficient and less on how well they maintain their paper trails. We must also provide stronger Federal leadership and make the Federal government a better partner to the States. We need to give States more help in implementing changes and adopting effective practices. We need to do a better job incorporating new technology (including national automated systems where appropriate). And we need to simplify the program rules and administrative requirements we impose on States.

In summary, the Working Group has been very encouraged both by the wide degree of consensus we have found over the need to reshape the system and by the models of reform we have seen. Across the country and across the political spectrum, people agree that our goal is a system that supports work and responsibility. The challenge we see is that successful programs, such as Riverside, require nothing short of reshaping the mission and culture of the welfare system.

We look forward to working with you and the Committee to meet the enormous and historic challenge of fulfilling the promise of the Family Support Act. Changing from a system that is too focussed on writing checks and processing paper to one that truly expects people to become self-sufficient may be daunting, but doing so will truly result in an end to welfare as we know it.

Chairman MARTINEZ. Thank you, Dr. Bane. Let me start the questioning now with kind of a statement and then a question, and it was prompted by Ms. Woolsey's opening statement of being a welfare recipient, and look where she is now.

Same thing is, you know, when we were kids being brought up in the Depression, we were all a family of welfare recipients because there was no work at the time. It was the Great Depression.

And it was a very miserable experience, to say the least. I mean whenever you went anyplace—and our parents suffered the greatest embarrassment because although as children we suffered because they suffered and because the humiliation and the way they were treated, it leaves some deep scars, emotional scars.

And yet I look back and I say look where I am now, you know. So there was somewhere along the line people that were willing to help and even government that was willing to help.

You know the old joke: The three greatest lies are—I gave at the office, the check's in the mail, and I'm with the government and I'm here to help you. And too often people have been experiencing that with government when they say they are there to help.

I think we are at a point in history where the government can really help people. It can develop the leadership and set the policies that are needed to change the things the way we know them.

We have people in Congress now like Ms. Woolsey who, from a firsthand experience, can relate to other Members and help them understand how important it is to change, to give people pride and dignity so they can lift themselves out of poverty. I think those are the things that we all say in speeches, but I think it's a point in time where some of us who have always really meant them can make them come true, especially with the people that are in the agencies now that have the same kind of feeling.

In reading your full testimony I was very impressed with the fact that the task force went and visited and talked with welfare recipients, people that could tell them firsthand what it was like.

And another testimony touches on it a little bit about observing eligibility interviews in welfare offices across the country, I think that all of us have been struck by the fact that the entire focus of the question is on the applicant's paperwork rather than the aspirations and needs.

Time and time again we heard from clients, and this is a quote of a client. "They give you a whole lot of paper to sign but they don't explain what it is."

And the welfare offices need to find out what your problem is when you walk in there. And everybody who walks into that office has had something happen to them that made them financially dependent and they needed to go for help.

And it reminds me of years ago when I walked into an unemployment office and I had just lost a job that I thought was very secure. And I had been making a certain wage that allowed me, I thought, to plan for the future, to buy a house on the GI Bill, and to start landscaping and walls and all of these things, only to find out that I was not secure. How was I going to pay for the things that I had bought to improve that house?

And it was scary, a scary kind of a feeling, so I went to the unemployment office. And I vowed that day after I came out of there

I would never go back in an unemployment office again, and I never have been.

Let me tell you why. The guy wanted me to sign up for a check and sign all this paperwork. I didn't want the check. I said "The payment that you would give me on unemployment won't allow me to pay my bills."

And his suggestion was this: "Well, you can go on welfare." Isn't that a nice, delightful thing for somebody in a government office to tell a person?

Well, I walked out of there before I punched the guy in the face because I was so mad. And I said then I would never go back in. It made me so mad I went out and I got myself a job the very next day. So maybe that helped, too. I can't say.

But the idea is that that's the attitude the government has had for so long, and welfare offices are the same thing. It's almost like they're building a great bureaucracy for themselves, not for the people they are trying to help.

But you are absolutely right. This client is absolutely right. We need to design those offices so they can take a client in and sit him down, him and her down, and find out what their real problems are and find out how we are going to get them to a point where, hey, they won't feel like the person you testified about that said I wonder why I'm working. You know, I can make more money off of work.

Well, we've known that for a long time. For a long time we've known that, yet we've not moved to do it. But my main question is this: We have a lot of improvements starting now in government, including the one-stop shopping center. We're trying to consolidate all the training programs and we were talking before and I asked you this.

Are we going to be able to coordinate—and you talk about coordination in your testimony—coordinate all these offices so that the offices don't become protective of their turf on to which they don't want anybody to intrude? Because that is what happened in the past in government and everybody is guarding their turf and nobody wants to change.

But are we going to set up a system of where the agencies up here are making sure that at the lowest level of delivery, that these agencies understand what the leadership is saying? We need to coordinate to make sure that the client walking in the door gets every service that they need.

Ms. BANE. That is certainly our aspiration, Mr. Chairman, and we at the Federal level are working as closely together as we can to ensure that the system will be a coordinated one.

I think the last thing any of us wants is a system, a special system for welfare recipients or a special system for some other group of people. It needs to be coordinated, both at the Federal level and, most importantly, of course, at the local level.

Chairman MARTINEZ. Very good, because I think that's an important ingredient. One of the things that this administration has come up with and Vice President Gore is streamlining government and reinventing government and making government more efficient, and that is a very crucial thing at this particular time.

Ms. BANE. Yes.

Chairman MARTINEZ. The taxpayers have gotten sick and tired of seeing their money squandered and wasted. And whether it is abuse or fraud or not, a lot of it is just ignorance, you know, and just not knowing the best way to do things. So I think that's something that we need to do.

How do you plan to work with the States to address the problem of financing this, because that is the other big thing?

Ms. BANE. That's going to be a big dilemma, obviously, for both the administration and for Congress. I think we all recognize that improving the welfare system and improving the lives of welfare recipients is going to take some investment, at least in the short run, to improve employment and training services and to improve the daycare and medical care that we provide.

And we are, in fact, going to have to have both the State and Federal Governments work together to find those resources as we construct the eventual welfare reform bill. I know that we also will be working with you to try to balance the fiscal constraints that are on all sides of government, and you'll be hearing later today from some people from the States who will make the same point.

Chairman MARTINEZ. One of the other things that is very important and crucial, I mean absolutely crucial to the success of any of these programs, is to provide child care for the participants.

And I remember back under the old administration where there was a job service in San Jose and they, before anybody else ever thought of it, designed a daycare center. And I told you about that.

Ms. BANE. Right, right.

Chairman MARTINEZ. Where it was very clever. They charged the people that just needed daycare the full price for daycare and that helped offset the subsidy to the people who were either in training or in transition from training to just beginning a job where they were still at the lower levels at that job and still couldn't afford the full fare.

And the administration wanted to take away all their funding for being innovative and clever and realizing that if you wanted to meet the 50 percent woman participation that you had to provide daycare for them. And so they did this and they were in threat of losing their funds.

Fortunately, we in Congress thought better of it and the administration wasn't able to take away their funding. But that was the beginning of our effort on Job Corps. Later legislation was passed to make sure the Job Corps did provide for that percentage participation of women and the necessary daycare for them.

And that is a basic, basic need, and I don't think in the child care bill that we passed we really accomplished that to the extent that we needed to.

The question is are we going to be able to move forward to make sure that everybody understands that the most important component of this, even for more than just married women, single family parents where the woman is the head of the household, there are some where both parents need training and both parents need it but they have kids and so somebody has to take care of the kids.

And they need to know that those kids are being taken care of in a quality, quality place. Are we going to be able to do that?

Ms. BANE. Again, I hope we can make some progress on that, Mr. Chairman. The Family Support Act made an enormous step when it guaranteed child care to participants in the JOBS program and when it provided for a year of additional child care after a person left welfare.

And then later in the Block Grant and the At-Risk Child Care programs we established some help for the working poor, for people who were not on welfare.

As you know, all those parts are terribly important. Obviously, any approach to welfare reform is going to have to continue to guarantee child care for people who are participating in the JOBS program, who are participating in work programs, or who are moving off welfare into the private sector.

I'm also hoping that we can build on the Block Grant and the At-Risk program to provide some more help to working families because they are the people who, in many ways, really suffer when they try to go to work, try to support their families, and find it so difficult.

Chairman MARTINEZ. I agree. Mr. Scott.

Mr. SCOTT. Thank you, Mr. Chairman. Dr. Bane, I guess there are a number of barriers that you have that prevent people from getting jobs. Education and training would be one. There have to be jobs out there and the jobs have to pay enough through putting together various ways of getting money. Child care or health care, child support, kind of blend in.

Let's start with education and training. What can we do as legislators to reduce that barrier, or do we find that most of the people trying to get jobs have educational and/or training needs?

Ms. BANE. Many of the people who are in the welfare system and are trying to move into jobs do have educational and skill barriers to moving into the workforce.

For example, in California the JOBS program does an assessment of each person to find out their needs and the barriers to their getting into the workforce. Almost half the people who are assessed in California are determined to need some educational help and some skill development. And the State, with Federal help, has been developing a variety of education programs that will help people get that.

I think one of the major things we need to do, though, is to recognize that, for many welfare recipients and others with education and skill deficiencies, the traditional education system has failed them in some ways. It has not met their needs.

And many of the most effective programs combine education and skill training with work or help people get a job first and then come back to get education and training, providing them the motivation and the practical context for the education and training.

I think we are seeing some good experience around the country in developing programs of that sort. The JOBS program is available to fund some of them, although the other Education and Labor initiatives that the Chairman mentioned will be able to provide some more of those. It's an absolutely crucial piece of an approach to welfare reform.

Mr. SCOTT. Are we doing things backwards by providing education and training before we find the jobs?

Ms. BANE. I think they have to go together. I think that the most successful training programs are those which are very practically oriented, which provide work experience, and which are explicitly designed to meet the needs of employers in the community.

A couple of weeks ago, I visited a program run by a community development corporation, which was truly marvelous. It provided training programs in areas like health care, building maintenance, food service, and housing construction. The program sponsored industries that were able to provide jobs to people.

It's clear that the combination of work opportunities, work experience, and training opportunities provides the most successful programs.

Mr. SCOTT. Are the jobs there? Do we have enough jobs?

Ms. BANE. I think the answer to that varies a lot from community to community, from place to place. Clearly, we have to keep the economy expanding.

I've had some interesting experience with this though. I often find that when I talk to people who are running the very successful JOBS programs, when I talk to people at Project Match in Chicago or in Riverside and I ask the question, "Is there a problem finding jobs for people," the good ones say, "No, there isn't."

One of these programs operates out of Chicago which is not exactly the center of industrial development, and they often can find jobs.

But, of course, there are places in the country where there aren't jobs and where we will have to make some investment in creating some jobs or stimulating some economic development.

Chairman MARTINEZ. Would the gentleman yield on that point? Because it strikes me jobs—there are jobs and there are jobs.

Ms. BANE. That's right.

Chairman MARTINEZ. And, you know, one of the experiences we had in JTPA is that they were finding jobs for people because a part of the—in order to get paid for the client you had to do job placement. And one of the things we found, people shoving people into jobs just to get paid for the slot, whether that job was a permanent job, long-lasting job, or not, or even if it wasn't that good a paying job.

And, you know, one of the things you hear so often by a lot of welfare recipients is, well, if you're just talking on a grassroots level, why don't you go to work, you know. And they say there's just not enough good-paying jobs around. I can do better on welfare than I could with going down there and getting a minimum wage job.

But people who are trying to build statistics or build information for a study will often say, well, we got him a job. But my question is when people say that, do we question, well, what kind of a job is it?

Because I contend and I maintain that if you are going to break the welfare cycle you have got to put people in well-paying jobs, good-paying jobs, not just a job at a minimum wage and not just a menial kind of a job. Something that can give that person pride in what they are doing.

You know, almost anybody that works in any particular craft will go home and brag about what he does because he is proud of what

he does. You know, he doesn't have to be a lawyer or engineer or a doctor to be proud of what he does but, by the same token, how many dishwashers do you hear bragging about their being a dishwasher? You know, and it's that kind of a thing.

So my question is when they tell us, well, we're putting them into jobs—well, do we ask what kind of jobs?

Ms. BANE. We do. We probably don't ask often enough. And we need to look at that. I would suggest that we need to think about two parts of this.

One is, in fact, providing the training and help for people to get the better jobs. I think we also need to recognize though that, for many people, entry level jobs are where they will start, and that we need to provide the supports to people so that they can support their families even in those entry level jobs as a way of moving forward.

And that is why the expansion of the earned income tax credit from last summer was so important and why moving on health care reform is going to be so important. With the earned income tax credit and with health care reform and with some other supports, we can help people in entry level jobs get that experience so that they will be able to move into better jobs, as well as help people get the training for those better jobs.

Chairman MARTINEZ. I want to thank the gentleman. Just let me say I believe entry level is a good idea, but what I am talking about is that it should be just entry level; that they should have the opportunity to move along to a better paying job.

Thank you.

Mr. SCOTT. Well, one of the problems in the entry level is that when you've got a gap between where you are in welfare and where you would have to jump to for it to be profitable to work, and most people can't make that. And that's about seven or eight dollars an hour, plus health benefits, and most people just can't jump that far.

And to the extent that the earned income tax credit, food stamps, child care, child support, all add in to a compensation package where you can get up to above the poverty level, then you could at least survive temporarily in your entry level job as you try to move up in the world, and that's the normal route to take.

Ms. BANE. That's exactly right.

Mr. SCOTT. We just got past—I guess my next question was you just got past April 15. How did we do on the earned income tax credit? How many people applied for it and do you have any experience in whether it made any difference?

Ms. BANE. I'm sorry, sir. I don't have the answer to that question. We can certainly try to get you that information from the IRS.

We do know that the number of people claiming the earned income tax credit has expanded greatly over the last couple of years and so, clearly, more people are taking advantage of it. But it remains too complicated, and it remains hard to get it on a regular basis.

And as part of the welfare reform effort we have been working very closely with IRS to see if we can design ways to make it easier to make it more regular so that families can count on it and can have it as a part of their income package.

Mr. SCOTT. The way the earned income tax credit works, you work and then you apply and you get it all back all at once. Can you—are you familiar with the details of how it works?

Ms. BANE. Yes, there are two ways that it can work.

Mr. SCOTT. Can you anticipate it as you go through?

Ms. BANE. Yes, there are two ways that you can get the earned income tax credit. One is the way that you described. You work during the year, and at the end of the year when you file your income tax return, you get it back as a lump sum.

It is also possible legally to ask your employer to do what is called negative withholding so that you calculate at the beginning of the year how much you are due; it's built into your paycheck. You collect it, and then you file at the end of the year to reconcile.

Not very many people use that option, to be perfectly frank, partly because it is a little bit complicated and because employers aren't crazy about it.

One of the things we need to do is to figure out how to make that easier and more attractive to both employers and recipients because I do think that it needs to be a more regular kind of process. The legal ability to do that is there, but in practice it's not working as well as it should.

Mr. SCOTT. Mr. Chairman, I had a number of questions on child support, but I assume that my friend from California will be asking questions on child support.

Ms. WOOLSEY. Well, Dr. Bane has been talking to us about training so I don't know if we're going to go into that.

Mr. SCOTT. Well, one of the things that will make the compensation package work is child support. Without going into details, one of the major problems are interstate cases.

Ms. BANE. Yes.

Mr. SCOTT. We can—for those that live in Virginia, when both parties live in Virginia we are pretty good with that, but when one party moves out of State the child support comes to an abrupt halt.

What are we doing about that as part of the compensation package?

Ms. BANE. And you are quite right to identify that as a problem. Some of the most horrible bureaucracy stories we heard at our hearings were of people who were trying to collect child support across State lines. The stories were genuinely awful.

We have to provide the legal basis for much easier enforcement and collection of child support across State lines, and we also need to build the administrative capacity so that cases can be transferred and assessed automatically. Both of those things are likely to be part of the administration's welfare reform proposal.

Mr. SCOTT. Thank you, Mr. Chairman.

Chairman MARTINEZ. Thank you, Mr. Scott. Mr. Castle.

Mr. CASTLE. Mr. Chairman, I arrived late. Let me pass, if I may, to the others who were here and try to catch up and then I would be glad to ask questions later. Thank you, Mr. Chairman.

Chairman MARTINEZ. All right. Ms. Woolsey.

Ms. WOOLSEY. Thank you, Mr. Chairman. Let me just follow up on the child support issue. I know we are talking—

Chairman MARTINEZ. Ms. Woolsey, let me interrupt you for just one minute. I am going to have to leave between now and the next

five minutes so, rather than interrupt you in your questioning, why don't you assume the Chair and question from here, and then I will just go ahead and take off now.

I want to apologize. I've got a very important meeting I've got to get to and I will return as quickly as I can.

Ms. WOOLSEY [presiding]. Because we are talking about training today I wasn't going to go into my legislation that I have introduced for child support assurance. But whatever we talk about today, unless we have child support collected that is due all of our children and unless we have jobs that pay a family wage and health care reform, we're just wasting our time talking about training, training for what and how are we going to live once we do that.

But I would like to ask a couple questions because today we are talking about training. You are talking to us about the successes of Riverside's individualized approach and that leads me to ask you, how does the one-size-fits-all approach that's embodied in the "two years and you're off" approach that the administration is recommending work? And how could one year of child care during the transition work when everybody is so different?

Ms. BANE. We don't believe that one size fits all, Ms. Woolsey, by any means, and we do find that in places like Riverside and other places that are running a very good JOBS program, they individualize the program.

They make sure that an assessment is done, that an employability plan is put in place, that there is a series of steps for people to carry out. And in most cases, those plans are for less than two years.

And we would certainly expect that when people come into the welfare system, there will be an assessment done and an employability plan put in place right away and that they will get the help they need to move into the workforce.

We expect that in most cases that would take place in less than two years. The two-year time limit is really a way of setting a clear expectation that welfare does not last forever. Within a period of two years, but more quickly in most cases, people should expect to be able to move into an unsubsidized job whenever possible or into a subsidized job when necessary, with some exceptions, obviously, for people who need somewhat longer to get their GED or who have real educational deficits, and so on.

And by saying two years and then work, the administration is not saying two years exactly for everybody, but is trying to set a clear expectation that welfare is a transitional system. In virtually all cases, two years would be about the right amount of time to move into unsubsidized employment.

And so we are trying to balance the need for responsiveness to the diversity of people's situations with the need to say very clearly that welfare is a transitional system.

Ms. WOOLSEY. Well, that's good to hear. We're going to have to make that clear because two years is definitely a laudable goal, but we can't be punishing those that work within the system and then can't quite achieve that.

But I'm concerned about the one-year child-care transition. I'm a human resources professional and I know that particularly with

entry level workers, their salaries do not increase enough over that first year in order to make up for the payment for child care.

So we are going to have to look at phasing that out and not just cutting it off just all at once. We'll send people right back to the home.

Ms. BANE. I'm hoping we can. We have heard time after time the following: I got into a job, I was doing pretty well, I was struggling. I found myself back on welfare. I found myself back on welfare either because my child got sick and I didn't have health benefits or because I couldn't manage my child care.

And I think that you are very right to identify that as a problem that we need to solve. As you know, the issue is that child care costs money, and as we look at all the things that we want to do as an administration and as Congress, we are going to have to do some balancing.

Ms. WOOLSEY. And we are. When I was on welfare as a single working mother 25 years ago, we had 13 different child care situations the first year I went to work. I want to tell you that was the hell year of my life and my children's life. It was the worst thing anybody could experience.

And we received 40 percent more in real dollars than welfare families receive today. I don't know how they do it. And I had advantages. I had education and I was certainly an assertive person so I knew how to get through that system.

But one of the concerns I have is we can have more child care, but we need to have quality child care. And part of that, I believe, would be to enhance the value of child care workers so they can get paid what they are worth.

One thing that is happening that I would like to share with you is that the Elementary Secondary Education Reauthorization includes a title, and it's my title, that allows schools to spend up to 5 percent of their Federal funding on health care or social services at or near school sites.

I started that because I want before and after child care at the schools. I just know what a difference that would have made in my life could I have left my children at school, gone to work, picked them up after I got off of work, and known they were safe and healthy. They always had child care. They weren't latchkey kids but I wasn't promoted to management until my mother moved to town and took care of my children and I could start thinking, really thinking, about my work.

So it's critical.

Ms. BANE. It is critical.

Ms. WOOLSEY. It's not only quantity and quality, but that we have convenience—somewhere close and convenient for these parents.

Ms. BANE. You also identified the other crucial piece, which is some stability. It was, obviously, your experience and the experience of so many others that disruption in child care settings is so distressing to parents and harmful to the children.

And one of the things we are working on is to try to get the various child care programs that the Federal Government funds to be better coordinated so that at least the government won't be the problem in disrupting the stability of child care arrangements.

Ms. WOOLSEY. Okay, good. Thank you, Governor.

Mr. ROMERO-BARCELO. Thank you, Chairman. Dr. Bane, did you read this horror story in The Washington Post about the welfare recipient in New York, Yvette Lopez?

Ms. BANE. Yes.

Mr. ROMERO-BARCELO. Where the woman was paying \$13,000 a month for a room in a hotel that didn't have any kitchen so that they paid 10 times what they probably pay for at least 10 years for a decent apartment for her.

These issues, can they be addressed efficiently?

Ms. BANE. That is an extraordinarily hard one. As you know, Congressman, when I worked as the Commissioner of Social Services for New York, I think it was that set of problems that was the most frustrating, the most unsatisfying.

There were tens of thousands of families being sheltered by the City of New York because the combination of an extraordinarily tight housing market and welfare benefits which, although very high relative to the rest of the country, were not sufficient to access that housing market. It was a terrible dilemma.

I think that the long-term solution to problems like those are, indeed, the kind of welfare reform that will help people become independent, help them access jobs, help them get child care and be better able to manage their lives. In the meantime though, we obviously have to provide shelter for women like the one that was described.

Mr. ROMERO-BARCELO. Am I correct in assuming that the program pays for about at least 50 percent of the bill in that case?

Ms. BANE. That's correct.

Mr. ROMERO-BARCELO. I want to bring that up for the following reasons. You consider that the Puerto Ricans are U.S. citizens? Does the Department consider Puerto Ricans to be U.S. citizens?

Ms. BANE. Yes.

Mr. ROMERO-BARCELO. All right. They are.

Ms. BANE. Yes, I know.

Mr. ROMERO-BARCELO. Sometimes I wonder why we don't get supplemental security income in Puerto Rico. Did you know that the AFDC is limited to the two million dollars?

Ms. BANE. I know that.

Mr. ROMERO-BARCELO. Did you know that there is no earned income credit? Did you know that in Puerto Rico we have the highest percentage of welfare-qualified people qualified for welfare of any State or Territory?

Ms. BANE. Yes, I know.

Mr. ROMERO-BARCELO. Then when we see that the Federal Government throws away money in New York paying \$13,000 a month for a hotel for all the people that cannot afford it, and that's all right because it's in New York. But in Puerto Rico they don't have any money. For \$82 million AFDC, no supplemental security income. We are citizens.

And then how are the people in Puerto Rico going to be brought out of the welfare program if there is no earned income credit? What stimulus is there for a welfare recipient to get a job?

Let me add one more thing.

Ms. BANE. Okay.

Mr. ROMERO-BARCELO. It is not particularly because of the earned income credit. It becomes very important that our tax policies and our welfare policies work together and not against each other.

Ms. BANE. Right.

Mr. ROMERO-BARCELO. In this Nation we tax the wealthy and we redistribute some of that wealth to the poor. In Puerto Rico the Federal Government does exactly the opposite. There is no earned income tax credit. The wealthiest corporations have Federal income tax exemptions and the poor are deprived of supplemental security income, an earned income credit, and limited AFDC. There is a cap on food stamps.

The poor are carrying on their shoulders the tax exemption programs for the wealthy with a completely opposite public policy for the 3,600,000 U.S. citizens in Puerto Rico than it is for the rest of the Nation.

What can we do about it?

Ms. BANE. Congressman, I don't know the history of the exemption for Puerto Rico for the earned income tax credit. I'm afraid I really can't speak to that. It is obviously a crucial question.

The question of the cap for Puerto Rico and the other territories in terms of AFDC and JOBS is clearly a problem that we need to be looking at as part of welfare reform. That cap has not been raised for a number of years, and it does provide a severe constraint on the ability of Puerto Rico and the other territories to provide services to their citizens.

I do hope that we can look at that as part of welfare reform because you are right in identifying it as a huge problem.

Mr. ROMERO-BARCELO. But the problem about it means that what's going to happen is the Department or the White House will say, Congressman, oh, we doubled your cap. Big deal. You have to now be very, very, very happy and very grateful because we have been very generous.

Because then they say it is because you don't pay income tax. I don't vote. If I had a vote, I would say let's put income tax—impose income tax. Congress is the one that votes. My other fellow Members vote. I don't vote. It's a catch-22.

Ms. BANE. It is a catch-22.

Mr. ROMERO-BARCELO. Dr. Bane, I'm sorry. I don't mean to put you in a position. I want to put the administration and Congress in a position. This is my opportunity, one of my opportunities. That's all.

Ms. BANE. I understand.

Mr. ROMERO-BARCELO. I want to raise the level of your consciousness so that at least you bring this up with the Secretary and the White House, because it's very, very frustrating. The poor are really paying.

Ms. BANE. No, I do understand the problem, Congressman, and I appreciate your bringing it up. And I will do that.

Mr. ROMERO-BARCELO. Thank you.

Ms. WOOLSEY. Thank you. And, Governor, you can never be accused of not raising our consciousness. You are doing the job they elected you to do in Puerto Rico.

Representative Castle.

Mr. ROMERO-BARCELO. I'm sorry, I just want to make—

Ms. WOOLSEY. One more?

Mr. ROMERO-BARCELO. In Washington, DC, they don't vote and they have no representation and they pay taxes, but they get the benefits. The poor do.

Ms. WOOLSEY. Okay.

Mr. CASTLE. Thank you, Madame Chairwoman. Dr. Bane, you know, it occurs to me that 99.9 percent of the American population heard the President during the campaign saying we are going to end welfare as we know it. I don't think anybody listened to "as we know it."

From going out there in public, I believe many people think we are going to terminate welfare, which is sad because even in the most conservative of the plans, and in the Republican plan that I'm involved with, it is assumed that 30 percent will never be able to be off of welfare, but there is a great thrust for all of this.

Tell me first, if you can, and you probably can't, but do you know when the welfare bill from the White House will come down? Because I am working on this issue and I can work till I'm blue in the face, but nothing is going to happen until that bill arrives here. We all know it.

And I don't mind what the answer is. I'm not complaining. I just want to sort of know so we can sort of keep things in flow here. Do you think it will be this year, or don't you know, or can you say?

Ms. BANE. Well, the President in the State of the Union Address said that the administration would introduce welfare reform this Spring. Spring ends in June, and we anticipate sending up a bill before then.

Mr. CASTLE. June 21, right? Okay, good. Well, that would be helpful just to get the debate going.

Ms. BANE. Right. We understand that.

Mr. CASTLE. I understand that maybe we do have to deal with health care and other things before we consider it, but I would love to get the debate going because I think it's important.

Let me ask you something else. And it keeps coming back to for me and I just read through your speech and I'm sorry I'm late. You can blame it on Amtrak. They killed me today coming from Wilmington.

But in the issue of jobs versus welfare, I have spoken—again made another round of welfare recipients in Delaware, spoke to them, and it keeps coming back to that same issue repeatedly in different ways.

And, clearly, when you take AFDC, food stamps, Medicaid, and probably daycare and housing and other issues, some of which have different income entry levels and outgo levels at the other end. But nonetheless, when you look at it, a lot of people just basically say, "I can't handle a minimum wage job." Minimum wage jobs rarely have benefits at all; there is still a differential.

I think the earned income tax credit was a great stroke last year and I was not in favor of that bill, but I thought that was particularly good.

I believe we need to have more child support, and I would like to stress the need for paternity identification. Look at the genetic testing, go after it, make it absolute. I don't think we should hesi-

tate on that at all. I don't think this should be a woman's problem; I think it should be a man's problem as well in this country.

I think the child support should be paid and I think we should look at the benefit levels that go to the mothers in that to help with their situations instead of reimbursing the government for the government programs and trying to get them more interested in that.

Maybe step-downs in terms of some of these programs at higher income levels so that they can continue for a little bit so we can encourage people to work. And of course the whole issue of medical coverage.

Are there other things that are being looked at because we just have to close that gap? Somehow we have to make work more beneficial than government programs.

Ms. BANE. You have obviously identified the right problem and mentioned the things that we are looking at. I do believe that the expansion of the earned income tax credit is a huge step and perhaps the best step that we could have taken to ensure that work pays.

What the earned income tax credit means is that a \$4.25-per-hour job pays \$6 per hour, a \$6-per-hour job pays \$7.25. That's a big deal, and if Congress is able to enact health care, which we hope and believe will happen, that will be another huge step towards ensuring that work pays.

We are looking at ways of improving the child support system, and you are quite right in identifying that as a key foundation for families' incomes. Several steps need to be taken, I believe. You talked about paternity, and that is one step that needs to be taken.

We also need to make sure that awards are established at a fair level, that they are updated regularly, and that they keep up with the earning power of the noncustodial parent.

And, of course, we need to improve enforcement, especially in the interstate cases. We also need to improve our ability to collect through lots of other means because I think that child support can, in fact, supplement a family's benefits.

We are also looking, as many States are, at whether it would make sense to have different kinds of disregards in the AFDC system to ease the transition off welfare.

Many of the waiver requests that have come in from the States have provisions to allow people to keep more of their earnings and still remain on AFDC. And we are getting a lot of good experience from the States in that regard, and it's something that we're looking at very closely.

I think those are the major mechanisms. One of the key concepts is the notion that it will be important to make sure that it makes sense for people to go off welfare and into work.

Mr. CASTLE. That's all good. I still think that we have more work to do on that.

Ms. BANE. Oh, yes, we do.

Mr. CASTLE. We have to identify the next six concepts to build on a differential. But moving on quickly because I don't have much time, on the issue of child support again for a moment, it seems to me that the places that have been successful are those that have put good computer programs into place.

Ms. BANE. Yes.

Mr. CASTLE. And I'm not big on unifying what all the States do, but my feeling is that on child support we've really almost come to that.

What about the concepts of looking at a unified formula for child support? In Delaware we have had a formula that has worked extraordinarily well. It's also been adopted by a lot of other States.

How about some sort of a centralized computer system with respect to all this? I mean, this business of crossing State lines and avoiding the payment of child support and not tying in the Social Security numbers or whatever it may be is ridiculous, I think just ridiculous.

You have all kinds of people who are avoiding child support out there. And I think if we are going to do this it's going to have to happen at some level other than just the Federal level.

Can you share any of your thoughts on that?

Ms. BANE. I have two thoughts on that, Congressman. On the guidelines issue I think we may be at the point where it will be useful to have a commission or some way of looking at guidelines across States because all States now have guidelines in place, but they are very different. I think we are learning enough perhaps to make some recommendations for a more standardized system.

In terms of computer systems, the States are obviously investing a good deal of effort, and many States are very far along in having automated systems. Technology will permit us, if we are clever enough to take advantage of it, to network those State systems, not to replace them with a whole new system, but to figure out ways of networking State systems. In that way we can have the benefits of a national clearinghouse and ways of exchanging information between States without having to supersede the State computer systems.

And I think that will be part of what we are going to need to do in order to make the child support system work. And we are looking at that set of issues, both how to improve the State systems and how to build this network so that they can talk to each other.

Mr. CASTLE. Okay, and one more question, if I may, Madame Chairman. First of all, I am an absolute believer that we need to teach more in this country about the relevancy of education to one's economic future.

Kids just need to understand about playing ball and dealing in drugs, whatever it may be, and how they become educated. And we need to do that in some sort of a cultural media level beyond what we are doing now.

I don't have an answer to this, but I would just encourage you as you think about this to make absolutely sure that some of that message is delivered indelibly to children in this country at a very early age.

But having said that, even if we are educated and even if we are trying to get off welfare, my experience has been that the people who do get off welfare are the ones who really seem to want to. I don't find people on welfare to be any less intelligent than anyone else but generally more under-educated and less prepared.

And if they really want to and they are given the opportunity, generally they do it. If they don't want to and they want to game the system, they are smart enough to continue to game the system.

But my concern is when we put one of these plans into place, and I'm looking at the plan which I have been involved in which, theoretically, of the 70 percent we think can work, up to 90 percent will go through these programs and, theoretically, be exposed to the job market by the year 2002.

Those are huge numbers in a job market which is consolidating, going into part-time jobs, overtime for employees or whatever it may be. And I have read your testimony. I don't know a lot about the JOBS program per se, but I worry about government-created programs. Quite candidly, I would rather see it privately if we can do it that way.

And I am wondering, are the jobs going to be there? We have had a great deal of success in Delaware with welfare reform, I think probably the highest in the country on a percentage basis in terms of who has gone through the programs.

But the truth of the matter is that our welfare rolls have increased simply because our economy is down slightly. This is a constant problem and I see the job market tightening slowly out there for a whole variety of ways, one of which, quite frankly (I am not preaching politics here), is this whole business of excess government taxation and interference. A lot of people are simply holding back hiring people if they can. And this is counter-productive to the old American system of get a job and you'll be successful in life.

So in a broad economic sense I am concerned about that. That is an awfully generalized statement, but do you have any thoughts about that because I worry about a lot of training and then ending up with a lot of government-made jobs that don't really add to our economy.

Ms. BANE. We absolutely agree with you that the goal should be to help people get into private sector employment and that we ought to devise both our employment system and our other systems to ensure that there is as much unsubsidized private sector employment as possible and to design the training programs based on that.

Obviously, the condition of the labor market varies enormously from community to community. Sometimes there are places even in the best operating economies where there are not many jobs, and places in poorly operating economies where there are jobs. We will need to be responsive to that.

The President has said, as part of welfare reform, that we would aim to help people get into private sector jobs whenever possible, but that we would provide community service and public sector jobs when necessary.

I think that actually can provide some real opportunities for communities. We hope that we can structure the work part of the program, the job creation part of the program, in ways that are very flexible so that States and communities can adapt it to their own needs.

And I think there are some possibilities for using that program in combination with other economic development activities to help stimulate some activity in a community. Again, I think it varies

enormously from place to place, and we need to be responsive to those needs.

Mr. CASTLE. Well, thank you, Dr. Bane, for being here today and the work you continue to do. I yield back my time, Madame Chair-man.

Ms. WOOLSEY. Thank you. Mr. Castle, I don't know if you know it, but I think you have endorsed just in your words here my child support assurance legislation.

Mr. CASTLE. Delighted to if—

Ms. WOOLSEY. Because, you see, out of the \$47 billion that is owed annually in this country with child support orders, only \$13 billion is collected. We have \$34 billion to collect and I would like you to see my legislation because it will really make a difference.

One thing before we let you go and I'm going to take advantage of being in this Chair, would you please work with the Department of Labor and Secretary Reich because the administration's reemployment program is to be applauded.

But welfare is not in it yet and we want to get rid of that stigma. There is no reason whatsoever that all people unemployed can't be treated with the same degree that the reemployment program is going to concentrate. It would take away that stigma, I'm sure of that. I'd like to work with you on that.

Ms. BANE. Good, good.

Ms. WOOLSEY. Thank you, Dr. Bane.

Ms. BANE. You're very welcome. Thank you for the opportunity to be here today.

Ms. WOOLSEY. Well, we really appreciate you. Okay, our second panel. I would like to welcome some very important people with respect to their experience in the job training program: Treasa Johnson, Gloria Cummings, Tracy Doram, and Donna Sepczynski.

We are looking forward to your giving us some insight on the importance of job training and how that has helped or not helped in bringing families out of poverty. And thank you for coming. I look forward to hearing your testimony. We will start with Ms. Johnson.

STATEMENTS OF MS. TREASA JOHNSON, ALEXANDRIA, VIRGINIA; MS. GLORIA CUMMINGS, ALEXANDRIA, VIRGINIA; MS. TRACY DORAM, BALTIMORE, MARYLAND; AND MS. DONNA SEPCZYNSKI, BALTIMORE, MARYLAND

Ms. JOHNSON. Good morning. I would like to thank the subcommittee for allowing me to come here today and speak on behalf of the Job Opportunities and Basic Skills Program.

When I was told by my case worker that it was mandatory that I participate in the job training and development program in order to continue to receive my AFDC benefits, I was very leery of being sent to a training program where I would be learning skills I already know and was very good at. I was not willing to go through a three-month of six-month program.

When Kim Nguyen of the Alexandria Human Services Office of Employment Training contacted me, I told her of my concerns and fear. She listened carefully and patiently. When I was finished she told me she understood my concerns and that she would pass them on to her supervisor.

Later that week I was interviewed by Mr. Bernard Gray, the Job Developer for the Job Development Program, where I talked once again about my concerns. I talked about my goals, skills, and background training, and I presented my resume.

Mr. Gray immediately saw my potential and eagerness to work and ability to provide for my two children. He worked with me on developing a better resume and interviewing techniques.

After a week of improving my job search techniques, I was contacted by Woodward & Lothrop for an interview as a data entry clerk. Due to job shifting within the company, the position became unavailable.

"Don't let it get you down," I said. "You've had worse disappointments than this. Besides, something good will come from this." I did not know what good, but I was more eager and determined to find work and finally be able to get off of welfare.

On Monday of the following week I received a call from Mr. Gray stating that Woodward & Lothrop wanted me to go to their Washington, DC, office where I would be interviewed, if interested, for a temporary position as a divisional secretary for two vice presidents. Of course I was interested.

I interviewed that Wednesday with the employment placement manager, another interview with the two vice presidents on Friday and, yes, I got the job. That was a start down the road to freedom, I called it, from the welfare race.

I started to work on September 16, 1993, on a temporary basis as a seasonal employee. As of today, I am still working at Woodward & Lothrop in the same position but with one change. I became a permanent employee as of November 1, 1993.

If it had not been for the Job Opportunities and Basic Skills program, maybe I wouldn't be working. And if so, maybe not at something I enjoy doing so well. For me, being on welfare was a cold, hard, and lonely road. I had been on one or more types of programs, AFDC, Medicaid, Food Stamps, subsidized child care, for the past seven years.

Never before this past year had any job training or development opportunity been presented or offered to me. I am very thankful for this program. I encourage others to enroll in some type of job skill training or job development program. It is nothing like having the skills to be able to obtain a good job and successfully do it well.

Finally, I feel that there are additional needs and concerns which should be evaluated and considered for these type of programs. I would like to be a part of this program. I can be an instrumental in furthering the job development areas. I will help in any way I can to see that others receive job training, job readiness skills needed to find a good job and get off the welfare system.

I feel everyone should be a productive part in their community. Thank you.

[The prepared statement of Ms. Johnson follows:]

STATEMENT OF TRESEA JOHNSON, ALEXANDRIA, VIRGINIA

I would like to thank the subcommittee for allowing me to come here today and speak on behalf of the Job Opportunities and Basic Skills Program.

When I was told by my case worker that it was mandatory that I participate in the job training and development program in order to continue receiving my AFDC benefits, I was very leery of being sent to a training program where I would be

learning skills I already knew and was very good at. I was not willing to go through a three- or six-months program. When Kim Nguyen of the Alexandria Human Services Office of Employment Training contacted me, I told her of my concerns and fears. She listened carefully and patiently. When I was finished, she told me she understood my concerns, and that she would pass these concerns on to her supervisor.

Later that week I was interviewed by Mr. Bernard Gray, the Job Developer for the Job Development Program, where I talked once again about my concerns. I talked about my goals, skills, and background training, along with presenting my resume. Mr. Gray immediately saw my potential and eagerness to work and provide for my two children. He worked with me on developing a better resume and interviewing techniques. After a week of improving my job search techniques, I was contacted for an interview with Woodward & Lothrop for a position as a Data Entry Clerk. Due to job shifting within the company, the position became unavailable.

"Don't let it get you down," I said to myself. "You've had worse disappointments than this. Besides, something good will come from this." I did not know what good. But I was more eager and determined to find work, to finally be able to get off of welfare.

On Monday of the following week I received a call from Mr. Gray stating that Woodward & Lothrop wanted me to go to the Washington, DC, office where I would be interviewed, if interested, for a temporary position as Divisional Secretary for two vice presidents. Of course I was interested. I interviewed that Wednesday with the Employment Placement Manager; another interview with the two Divisional Vice Presidents on Friday and, yes!!! I got the job. That was the start down the road to FREEDOM, I called it, from the WELFARE RACE. I started to work on September 16, 1993, on a temporary basis as a seasonal employee. As of today, I am still employed at Woodward & Lothrop in the same position but with one change; I became a permanent employee as of November 1, 1993.

If it had not been for the Job Opportunities and Basic Skills Program, maybe I wouldn't be working, and if so, maybe not at something I enjoy and do so well.

For me, being on welfare was a cold, hard, and lonely road. I had been on one or more types of programs, (AFDC, Medicaid, Food Stamps, Subsidized Child Care), for the past seven years. Never before had any job training or development opportunities been presented or offered to me before this past year.

I am very thankful for this program. I encourage others to enroll in some type of job skill training or job development program. It is nothing like having the skills to be able to obtain a good job and successfully do it well.

Finally, I feel that there are additional needs and concerns which should be evaluated and considered for these type of programs. I would like to be a part of this program. I can be instrumental in furthering the job development areas. I will help in any way I can to see that others receive job training/job readiness skills needed to find good jobs and get off the welfare system. I feel everyone should be a productive part in their community.

Thank you.

Ms. WOOLSEY. Thank you, Ms. Johnson. Ms. Cummings.

Ms. CUMMINGS. Good morning. I would like to thank the Subcommittee on Human Resources for allowing me to testify and give my views on the welfare system.

Being on welfare is not a pleasant feeling. It feels degrading. You've lost your self-esteem and motivation. I don't see myself going any place on AFDC.

I didn't finish school and I had a baby. I thought there was no other option for me at that time. Being on AFDC was a help when I first had my baby, but now I can see that I don't want to remain on welfare.

First, I would like to go back to school to get my GED, and then go on to train to become an LPN. Right now I can go and look for a job but I don't have the motivation any more. I haven't worked since 1988. I was employed at McDonald's as a cashier.

I really want a job where I can move up a career ladder. As an LPN I can become a registered nurse and continue higher in the medical field. It is important that I keep Medicaid after obtaining employment till the benefits are received from the employer.

The Job Opportunities and Basic Skills program can provide the training to build my self-esteem and can help me to obtain the GED and LPN training. I don't have money for transportation and daycare services. This creates a lot of stress for me. JOBS provides these supportive services. I want to take advantage of these services in order to achieve my goals.

I am willing and able to participate in the JOBS program. Perhaps there are people in the program who are taking up space and don't want to take advantage of these opportunities. Maybe it isn't enough funding for the program. Whatever the problem, it is keeping us on the waiting list and it needs to be resolved. We need a little push out into the world so we can achieve our goals and become successful in our community.

When I think of where I am and where I could be, it makes me frustrated. I wonder where our priority stands on welfare. More priority should be on the people who want to get off welfare. More attention needs to be placed on moving people off the waiting list and into the JOBS program.

[The prepared statement of Ms. Cummings follows:]

STATEMENT OF GLORIA CUMMINGS, ALEXANDRIA, VIRGINIA

Good morning.

I would like to thank the Subcommittee on Human Resources for allowing me to testify and give my views on the welfare system.

My name is Gloria Cummings and I live in Alexandria, Virginia. I am 21 years old and the mother of two.

Being on welfare is not a pleasant feeling. It feels degrading. You lose self-esteem and motivation. I don't see myself going any place on AFDC. I didn't finish school and I had a baby. I thought there was no other option for me at that time. Being on AFDC was helpful when I first had my baby. But now, I can see that I don't want to remain on welfare.

First, I would like to go back to school to get my GED and then I want training to become a Licensed Practical Nurse. Right now, I can go and look for a job but I don't have the motivation any more. I haven't worked since 1988. I was employed at McDonald's as a cashier. I really want a job where I can move up a career ladder. As an LPN I can become a Registered Nurse and continue higher in the medical field. It is important that I keep Medicaid after obtaining employment until the benefits are received from the employer.

The Job Opportunities and Basic Skills (JOBS) Program can provide the training to build my self-esteem and can help me to obtain the GED and LPN training. I don't have money for transportation and daycare services. This creates a lot of stress for me. JOBS provides these supportive services. I want to take advantage of these services in order to achieve my goals.

I am willing and able to participate in the JOBS program. Perhaps there are people in the program who are taking up space and don't want to take advantage of these opportunities. Maybe it isn't enough funding for the program. Whatever the problem, it is keeping us on the waiting list and it needs to be resolved. We need a little push out into the world so we can achieve our goals and become successful in our community.

When I think of where I am and where I could be, it makes me frustrated. I wonder where our priorities stand with welfare. More priority should be on the people who want to get off welfare. More attention needs to be placed on moving people off the waiting list and into the JOBS program.

I am ready, willing and able to participate.

Thank you.

Ms. WOOLSEY. Thank you very much. Ms. Doram.

Ms. DORAM. Good morning. Thank you for having me. My name is Tracy Doram and I reside in Chase, Maryland. I have been a single parent for almost 10 years now. I received public assistance for all of that period. It has not been easy raising three sons alone. I

very much wanted to get off of public assistance, but I did not know how to go about accomplishing that.

I was afraid that I could not make it on my own. Being on public assistance for a long time became a security blanket for me. I didn't feel that there was any other way to make it. I was 23 years old with three sons to care for. I had no high school diploma and I was unemployed.

A friend told me about a new program called Project Independence, a program designed to help those receiving public assistance better themselves. I was very excited when I heard about this program and I knew from the start I wanted to get involved with it.

I knew that this would be the ideal thing for me to get involved with. I got into the program and I was referred to an adult basic education class. I got my GED. We had a graduation. It was very nice and Beverly Berk from Channel Two was our speaker.

After that I got into the Baltimore County Career Development Center, which is a joint venture with Dundalk Community College and Essex Community College. I graduated and received my certificate of completion in Business Careers.

Project Independence was a self-motivating program for me. It gave me the initiative to grow and succeed and know that I can do better. My self-esteem is at a much higher level now. The program has given me such a positive attitude.

The support groups were very helpful. I could talk with others who were receiving AFDC who were in the same situation as myself. For once in my life, I did not feel so alone and I truly felt good about what I was doing with my life and for my sons. I knew that I needed to become independent and I finally feel that I have that.

I became employed by Baltimore County Department of Social Services on January 31 of this year and I don't think I'll ever forget that date. I was so thrilled to gain employment and my sons were just as happy. They went to school telling everyone that I got a job.

I am an intensive case manager assistant with the Project Independence Unit in Baltimore County. I really love it and I refer all my friends to the program.

My public assistance case was closed April 1 of this year and I never want it to reopen. Social Services was an okay place to visit but I wouldn't want to live there.

[The prepared statement of Ms. Tracy Doram follows:]

STATEMENT OF TRACY DORAM, BALTIMORE, MARYLAND

I have been a single parent for almost 10 years now. I received Public Assistance for all of that period. It has not been easy raising three sons alone. I very much wanted to get off of Public Assistance, but I did not know how I would accomplish that. I was afraid that I could not make it on my own. Being on Public Assistance for a long period of time can make you sometimes feel there is no other way to make it. It becomes your imaginary blanket.

I was 23 years old with three children to care for; I had no high school diploma and I was unemployed. A friend told me about a new program called Project Independence, a program designed to help those receiving Public Assistance better themselves. I knew that this would be the ideal thing for me to get involved in.

I got into the program and was referred to an Adult Basic Education class to help me obtain my GED. I was in the class for about two months and as a result of housing problems I could not complete the course at that time. I moved to Essex, (which was another district), I got myself back into the program, and then obtained my GED. Still in Project Independence, I later attended the Baltimore County Career Development Center where I took up Business Careers and I learned all of my clerical

cal skills. I then became involved with another Project Independence program, which was the Work Experience Program. In this particular program, I was receiving experience in the workplace at the Department of Social Services in Towson.

Project Independence was a self-motivating program; it gave me the initiative to grow and succeed. My self-esteem is at a much higher level now. The program has given me such a positive attitude, the support groups were very helpful, and I could talk with others who were in the same situation as myself. For once in my life, I did not feel so alone and I truly felt good about what I was trying to accomplish in my life. I knew that I needed to become independent.

I became employed by Baltimore County on January 31, 1994; I don't think I will ever forget that date. I was so thrilled to gain employment, and my sons were just as happy. They went to school telling everyone that their Mom had a job. I am an Intensive Case Manager Assistant with Project Independence at the Baltimore County Department of Social Services in Essex, Maryland and I love it. My Public Assistance case was closed April 1, 1994. It was an okay place to visit, but I wouldn't want to live there.

Ms. WOOLSEY. Thank you so much. Ms. Sepczynski.

Ms. SEPCZYNSKI. Hi, my name is Donna Sepczynski and I am a single mother of two boys. I received AFDC for approximately two years when I became enrolled in Project Independence. I was working part-time as a convenience store clerk but the pay was not enough to support my children after the break-up of my marriage, which made me eligible for Project Independence.

I am a high school graduate with some clerical experience. When I married I always assumed that my husband would take care of me and my children so I got away from the job market and stayed an at-home mother, which is another job in itself.

When I broke up with my husband I found that my job skills needed to be updated. My self-esteem was at a low point and I was very scared of my future. I entered Project Independence in January of 1992.

I started at a school also called Baltimore County Career Development Center in the clerical field. I was taught to use a personal computer, including Word Perfect 5.0, data entry, and some Lotus. We had courses in English and math and a refresher again in typing.

My self-esteem was also built up because I was shown personal grooming, what clothes best suited us, what clothes were best suited for the job market, how to answer the telephone properly, different things also to build our confidence and skills that you generally need for the work market.

I completed my training in July of 1992. I looked for a job but still was not finding one so in November of 1992 I started the Work Experience program, which means I was getting firsthand experience in a job, giving me confidence to go out and look for a job in the clerical field again.

My job training and work habits were so good that I was hired as a clerical assistant in the Baltimore County Department of Social Service. My children's schoolwork and attendance was affected. When mommy's self-esteem went up, theirs did also. At one time they were in a learning disabled class, now they are back in normal classes with everyday work habits going to school every day.

So we now have a future we can be sure of. I thank you all for having a program like Project Independence and I think every person receiving AFDC should be entitled to the same benefits as I was.

I also think that they should be geared more to an individual's interest, not just when we're grouped into, say, you, clerical. There should be more programs or more fields involved in it.

Thank you.

[The prepared statement of Ms. Sepczynski follows:]

STATEMENT OF DONNA SEPCZYNSKI, BALTIMORE, MARYLAND

Hi.

My name is Donna Sepczynski. I am a single mother of two boys. I received AFDC for approximately two years when I became enrolled in Project Independence. I was working part-time as a convenience store clerk at the time, but the pay was not enough to support my children after the break-up of my marriage. I am a high school graduate with some clerical experience, but that experience was about 14 years ago before I had my children. I was a young mother when I left the workforce and I assumed my marriage was to last forever and that my husband's salary would provide for a family and myself. I worked during my marriage, doing jobs that fit into my children's school hours, or my husband's work hours, never needing to leave my children with anyone. After my husband and I broke up, I found that my job skills needed to be updated. My self-esteem was at a low point and I was very scared of my future.

I entered Project Independence in January 1992. I started at a school called the Baltimore County Career Development Center, in the clerical field. I was taught to use a Personal Computer, including Word Perfect 5.0, Data Entry, some Lotus, and other computer language. I had courses in English, math and a refresher again in typing. My self-esteem was also built up because I was shown what clothes best suited to my body stature, what colors best suited me, and how to accentuate my appearance with outfits. They also showed me how to perform different tasks need for working in an office, things like how to answer a phone properly and how to determine what work has priority, and how to organize my time.

I completed the training in July 1992. I looked for a job, but still was not finding one. So in November 1992, I started in the Work Experience Program, which means I was getting experience firsthand in a job, giving me confidence to go out and look for a job in the clerical field again. My job training and work habits were so good that I was hired as a clerical assistant in the Baltimore County Department of Social Services. Even my children's schoolwork and attendance has improved.

We now have a future we can be sure of. I thank you all for having a program like Project Independence, and I think every person receiving AFDC should be entitled to the same benefits as I was. I also think there should be more programs geared to the individual person's interests.

Thank you.

Ms. WOOLSEY. Thank you very, very much for sharing your stories.

I am going to tell you my story because it has to do with case-work also. It was 25 years ago. I had three tiny children, one, three, and five years olds, and I had never intended to work after I was married because my job was to raise my children.

When we were left on our own through no fault of ours, I went to an employment agency. That was my caseworker because we didn't have a JOBS program then.

And this caseworker, this employment agency worker, talked to me, after I had flunked all the tests. It was odd that I flunked because I had worked. I was an executive secretary for 10 years but I hadn't worked for seven years. I flunked all the tests and typing and shorthand.

And she said, "What is the matter?"

I was really sad and said, "I don't want to go to work. I don't want to leave my children"

She said, "I'm going to send you on an interview and you are going to practice. They are going to ask you are you happily married, how many children you have, when did you intend to go to

work." Because then they could you ask anything—like if you use birth control, 25 years ago.

And so I went to a job interview, answered the question was I happily married; yes, I had always intended to go to work when my youngest child was a year old; and I had child care across the street. Now, you just heard so you know, what my real story was about child care.

I got the job, but it was that caseworker, my employment agency person whose name I wish I knew so I could thank her now—that helped me get that first start. This is what I am hoping caseworkers in JOBS are doing with and for you.

I would like you, if you would, to tell me where it has worked, where there have been hoops that were a waste of time, and what were the most important things that these individual caseworkers have done to help you because each one of you is on your way.

So if you would like just in order to share that with me. If you don't have anything to say, that's fine too.

Ms. Johnson?

Ms. JOHNSON. Well, personally for me, when I first had to apply for AFDC benefits the first thing the eligibility worker said to me was, "Well, you don't need to be on AFDC. You need to get out and find a job."

And I said, "Well, I've tried to find a job." I said, "Well, you're my last resort. I don't have any other place to go."

"Well, I still think you can find a job. You are an able-bodied, strong woman. You should be able to go out and work." He said, "Even if you have to go to McDonald's and work it's better than doing nothing."

I said, "Well, do you know how much McDonald's pays?" I said, "I've been a single parent all my children's life." And I said, "I don't think that I deserve to be treated like this."

And he was very rude so I said, "Well, okay." I said, "Fine, I don't want anything from you." So I walked out the door. So, like most of us, my self-esteem went down because I'm being shot to pieces.

I said to myself when I got home, this is ridiculous. We shouldn't have to go through this. People shouldn't treat other people like that. My main concern was when I went in there this guy should have done a needs assessment right there.

He didn't ask me why was I there. He just told me what I should do. I think there should be a needs assessment done right away and then take whatever skills I had and apply them. Say we have this program here where if I was a cashier at McDonald's or whatever, I think my cashier experience should have been used to maybe become a key punch operator or something.

You have to take the skills within a person and put them like the right face with the right job. Don't automatically just assume a person is no good because you're coming to apply for welfare.

I think the job training program at Alexandria does that. Like I said, they do have some hitches which I'm willing to work with. I teach 4-H students basic computer and I sponsor a drama club.

In life all my work, I've dealt with youth children. In my neighborhood we have repeated patterns of mothers on welfare, their

children having babies, then they are going on welfare and I tried to stress to them that doesn't have to happen.

You have to get out. You're dropping out of school because you're pregnant and you're having a baby, then you want to sit home because mom is not pushing it because she's on welfare so I try to stress to them——

Ms. WOOLSEY. Repeating that cycle.

Ms. JOHNSON. Yes, you're repeating the cycle. I try to have peer groups and pep talks with all the girls in my neighborhood. They come over with their parents. The parents say, "Well, my child works so well with you."

I say, "Well, that's because one thing I do is I try to listen." I try to tell them about my experiences with welfare and with trying to find a job. We work together and I've had success. I've just recently had one of my teenage girls come to my house the other night and she knocked on the door.

She said, "You know what. I got a job today."

And I said, "Where did you get a job?"

She said, "I'm working at Woodward & Lothrop at Landmark."

It was very helpful because I was bragging to her about how I really like my job and how Mr. Gray really worked with me. She went down, looked on the board and said, "Well, I didn't see it on the board," so I asked him, did they know whether Woodies were hiring again. So it just so happens she got a job at Woodies in Landmark. So I'm really proud of that.

Ms. WOOLSEY. So one-on-one help helped?

Ms. JOHNSON. Yes.

Ms. WOOLSEY. Ms. Cummings.

Ms. CUMMINGS. I'm not into the JOBS program yet. I'm on the waiting list to be into it. But when and if I am accepted into it, I would like to have a caseworker like Ms. Evelyn Smith Miles to help me by accomplishing my career goal of being an LPN. But right now I'm just on the waiting list. I haven't got into it yet.

Ms. WOOLSEY. So help for you would be to have more slots in that JOBS program?

Ms. CUMMINGS. Yes.

Ms. WOOLSEY. Okay. Ms. Doram.

Ms. DORAM. I just want to say I work in the Project Independence Unit and it's really a great program. It helped me to get my GED and that's where I got all my business and clerical skills.

Ms. WOOLSEY. And you had a caseworker work with you, somebody you could trust?

Ms. DORAM. Before I got my job that I have now with the Department of Social Services I was in a work experience program where I worked at the Baltimore County Department of Social Services in Towson, Maryland. You work four days a week and you have your support groups on Friday to separate.

Ms. WOOLSEY. Ms. Sepczynski.

Ms. SEPCZYNSKI. During the work experience you were sitting working with the actual caseworkers and you found yourself instead of being a number or a statistic, you become a person. That helps them relate to you better. This improved me as well as me getting to know them to appreciate the kind of work that they do.

Ms. WOOLSEY. As compared to the eligibility worker that Ms. Johnson—

Ms. SEPCZYNSKI. Well, even those with the amount of cases that come in or if we're sitting at the desk when you first go in and apply for welfare, you don't want to be there. You really don't want to be there any more than they want to process your papers at times.

You kind of sympathize and you see them as a person and not just somebody that's—she doesn't want to give me any money because it's coming out of her pocket. That kind of thing. So increase your work experience even your general outlook on life.

Ms. WOOLSEY. That's good. Thank you. Mr. Castle.

Mr. CASTLE. Thank you, Madame Chairwoman. I want to ask one sort of brief question and then I want to follow up with another question.

And I hesitate to ask you what your ages are so I won't do that, but my question presumes that you are giving advice to, say, a 15- or 16-year-old young lady who might be in the circumstances of not doing particularly well in school, not being sure what her future may be. Even younger. Whatever, 13, 14, 15, 16.

What would your advice be concerning the subjects that seem to be the beginning of welfare? By the way, I congratulate each and every one of you that your self-esteem is lifted, that you're doing remarkably better. You are obviously intelligent and I think you've done wonderfully to try to break the cycle of welfare in your instances, and I just think that's great. And those are great stories that you need to get out.

But I am interested in the prevention of it. My question is, if you were giving advice to a young lady—we'll get into young men later—what would be that advice with respect to having a child, to finishing school, to getting ready for a job?

I assume it would be different than your views may have been when you were the same age. I'm curious as to how you would counsel a young person if you were talking to one today. If somebody just came and asked you for advice, what would you tell them?

Ms. DORAM. Okay, I just have a simple answer for that. It may be hard for a young girl to understand it, but just listen to your parents. Don't be rebellious because that's, you know, what I did.

Do things the traditional way. Get married first and then have kids because it's really hard trying to raise them on your own and education is very important.

Because it's like now I'm trying to go back and do everything that I didn't do. It's taking longer but I'm getting there.

Ms. WOOLSEY. But you're doing it. Ms. Johnson.

Ms. JOHNSON. Unfortunately, I've had them come to me after the fact so I always just like to sit and listen. But I usually try to get on the phone and call someone at Social Services or at the Health Department, to try to work with them because I do volunteer work there so I have some connections.

I just really try to be there as support to the person. I said, well, you have to make that decision of what you want to do, whether you think it's good or bad now. I try to stick with the girls.

I have a 15-year-old daughter so she is seeing firsthand all her friends having children or dropping out of school. We sit around and talk about it and I just pray to God. I say, look, you see this.

So I'm hoping it will instill in her that don't do this. There is too much in life. You need to get a good education and work hard and get a good job and just further yourself as far as you can go. She wants to be a lawyer. A corporate lawyer at that so hopefully I can steer her down the right road and I'm there for my community teenagers.

Mr. CASTLE. As a follow-up, from the point of view of being a Member of Congress, I want to know what we can do to help with this whole idea of prevention.

It's very hard sometimes to understand the minds of 15-year-olds and exactly how they see what the future of the world is, and how we can change the vision of what their future should be.

For example, should we be doing much more in this country about birth control? You may have heard me speaking before about the relevance of education. I don't think we connect education to your economic future enough in this country.

You mentioned peer groups, for example, which I think are vital. And I don't care where it is, be it a boys' club or girls' club, the YWCA, school, the neighborhood or some sort of peer groups.

And then there are some tougher, more conservative views. For example, I believe very strongly in identifying fathers. I believe that is a responsibility of a mother, a woman, if she is going to receive government support. I also think it is absolutely the responsibility of the young man to come forward and realize he is going to face 18 years of support.

Will that change some habits? There are in pieces of legislation discussion of not giving any welfare at all to mothers who have children under the age of 21 to try to make it an absolute government prevention. I'm not sure if these things would work.

But do you have any thoughts about how we can really somehow in a more massive way than we're doing today get to the young people to make them understand that if they can get over that hump of those seven or eight years between 14 or even earlier to 21 and complete their education and put off having their children, whatever it may be, their chances for opportunity are greater then, as opposed to having to go through what a lot of people go through which is to go through the problems and then come out the other end, hopefully in their twenties or thirties.

Do you have any thoughts about any of those things that you have heard about or read about or been mentioned today or anything else that might work or might not work?

Ms. JOHNSON. I think it first starts at home with the parents. Then I think we should have a lot more parent planning workshops and family planning where the parents and the children can come in.

I think one of my main things is they should have that in the schools. I think every parent would be crazy not to go for it. At my children's school we have to sign a permission form at the beginning of the year before our children can be taught. They have a class they call Family Learning so we have to sign a permission

slip where we have to allow our children to be in that program and, if not, then they just get to do something else.

But we also have the opportunity to go and review and look at videos of anything that they are showing on the curriculum. If some time down the road we don't want them to see that then we just tell them and they won't show it to them. They have another assignment.

But I strongly think that Social Services are doing a great job with parent planning and family planning. When I was coming up I didn't have any of that.

I was an abused child when I was coming up so I think I have a strong constitution. I am just determined. I'm so stubborn it's pitiful. I'm just determined that I'm just going to go for all of it. I mean I'm going to have the best and if that means stepping on a couple toes coming up the road, that's okay. I'll get over that.

I try to enforce parent planning and family planning. It's great to have your parents sit in the class.

Ms. WOOLSEY. Thank you. Anybody else want to respond?

Ms. DORAM. Yes. I just want to say it's great for teenage girls who have mothers that talk to them about sex and birth control, but you ought to have somewhere where a teenager can go and get things on their own because my mother didn't talk to me about sex. I don't know why. That's how her mother was with her.

There are just a lot of naive parents. Of course you want to think that your teenage daughter is not sexually active but you have to not be naive. Because my mother didn't talk to me about it at all and she knew I had a boyfriend. I didn't have anyone to go to and I wound up with three kids at the age of 21. Then I was forced to have my tubes tied.

So I think teenage girls should have someone they can talk to because a lot of parents are not open enough to even bring up that discussion.

Ms. WOOLSEY. Okay, thank you.

Mr. CASTLE. Thank you.

Ms. WOOLSEY. Mr. Scott.

Mr. SCOTT. What do you mean by where you were forced to have your tubes tied?

Ms. DORAM. I was living with my mother at the time and she was like if you want to stay here—

Mr. SCOTT. That was a family choice? That wasn't a governmental directive?

Ms. DORAM. No.

Mr. SCOTT. Okay.

Ms. DORAM. This is still the USA.

Mr. SCOTT. I'm from Virginia so we have to ask those questions. [Laughter.]

Mr. SCOTT. What skills did you need to get a job?

Ms. DORAM. Clerical skills. I took that up at the Baltimore County Career Development Center. I took up business careers.

Mr. SCOTT. As a result of JOBS program?

Ms. DORAM. Right. In the Project Independence Unit where I now work.

Mr. SCOTT. And how do you deal with child care?

Ms. DORAM. They pay for my child care as they did when I was still receiving AFDC. It is based on a sliding scale so I did not have to pay for anything. My kids attend a playtime court which is before and after school at their school. They pay for it when they don't have school.

Mr. SCOTT. And do you receive child support?

Ms. DORAM. No, I never have and I'm not trying to seek it because it's such a headache.

Mr. SCOTT. Okay. Ms. Johnson, what skills did you have prior to joining the JOBS program and what did JOBS do for you?

Ms. JOHNSON. I went to college. I didn't complete my business management course but I self-trained myself in computer and I know 20 different softwares. I am a high school graduate.

I just volunteered my services a lot when I wasn't working. I did a lot volunteering in community nonprofit organizations as secretary and administrative assistant. I've had a lot of jobs. I did a lot of temporary work. That's one of the things I tried to do. If I wasn't working full-time I did some type of temporary job to keep my skills up.

Mr. SCOTT. And so you had a lot of those skills before the JOBS program?

Ms. JOHNSON. Yes.

Mr. SCOTT. What did JOBS do for you?

Ms. JOHNSON. My weak point was I didn't have a good resume up to par. I had 20 pages so I had to condense that to one. During interviews I tend to shy up, but I got over that three years ago. Now I can't keep my mouth shut. I ask employers all these questions. What I really need: interviewing techniques and brushing up on my resume.

Mr. SCOTT. Did they find the job for you?

Ms. JOHNSON. Yes. The first job that Mr. Gray had asked me about was the data entry clerk at Woodward & Lothrop but because they were doing some job shifting—

Mr. SCOTT. So you essentially had the skills. You just needed—most of the skills. You just needed to be able to hook up to a job?

Ms. JOHNSON. Right, yeah.

Mr. SCOTT. Ms. Cummings, you are on the waiting list right now?

Ms. CUMMINGS. Mm-hmm.

Mr. SCOTT. How long is the waiting list?

Ms. CUMMINGS. I'm not sure.

Mr. SCOTT. How long have you been on it?

Ms. CUMMINGS. About 400. Something like that.

Mr. SCOTT. Four hundred people on the waiting list?

Ms. CUMMINGS. Right.

Mr. SCOTT. And how long have you been on the waiting list?

Ms. CUMMINGS. For two years now.

Mr. SCOTT. You've been on the waiting list for two years?

Ms. CUMMINGS. Mm-hmm.

Mr. SCOTT. Well, maybe it ought to be two years and you can get off the waiting list.

[Laughter.]

Ms. WOOLSEY. Good point.

Mr. SCOTT. What skills—what would you expect JOBS to do for you?

Ms. CUMMINGS. Help me in my motivation and give me a little self-esteem, help me in my training for LPN, then I'll get my GED from there, then continue my education.

Mr. SCOTT. Madame Chairman, I think those are reasonable expectations. That's exactly why we have the JOBS program. To the extent that the program can accomplish that, I think it will be a good investment of our time and effort.

Ms.—pronounce your name? Sepczynski?

Ms. SEPCZYNSKI. You can call me Donna.

Mr. SCOTT. Donna, did you have computer skills prior to the program?

Ms. SEPCZYNSKI. No.

Mr. SCOTT. All of the computers—you mentioned several different programs, word processing—

Ms. SEPCZYNSKI. Data entry and Lotus.

Mr. SCOTT. Spreadsheets and what not?

Ms. SEPCZYNSKI. Yes.

Mr. SCOTT. You learned all of that through the JOBS program?

Ms. SEPCZYNSKI. Yes.

Mr. SCOTT. And you are using those on your job now?

Ms. SEPCZYNSKI. Some, not as much.

Mr. SCOTT. Could you have gotten your job without those skills?

Ms. SEPCZYNSKI. No.

Mr. SCOTT. Thank you.

Ms. WOOLSEY. Well, congratulations, all four of you. You are really wonderful. You have brought us the information we need to learn more about the programs and thank you so much. And good luck. Let's get you in that program, Ms. Cummings.

Thank you very much.

Our third panel is made up of two respected researchers in the field of welfare reform: Jennifer Vasiloff from the Coalition on Human Needs, and Mark Greenberg from the Center for Law and Social Policy.

Thank you both for coming today. I bet you have learned too as well as us. We'll start with you, Ms. Vasiloff.

STATEMENTS OF JENNIFER VASILOFF, EXECUTIVE DIRECTOR, COALITION ON HUMAN NEEDS; AND MARK GREENBERG, SENIOR STAFF ATTORNEY, CENTER FOR LAW AND SOCIAL POLICY

Ms. VASILOFF. Thank you. I am here representing the Coalition on Human Needs, which is an alliance of over 100 national organizations working together to promote public policies which address the needs of low income and other vulnerable Americans.

Coalition members include civil rights, religious, labor, and professional organizations and those concerned with the well-being of children, women, the elderly, and people with disabilities.

Over a year ago the Coalition formed a welfare reform task force because of our member organizations' strong interest in the subject. I was asked to speak today about a recent report the Coalition on Human Needs completed entitled, "Unheard Voices: Participants Evaluate the JOBS Program."

I have provided the committee with copies of the complete report, Unheard Voices, and will only highlight some key points this morning.

In the Coalition study, JOBS participants in four States—Missouri, New Jersey, Oregon, and Texas—were asked for their candid assessment of the program in order to get feedback from people rarely heard in national policy debates: those actually affected.

While our report includes the expected statistical breakdown of how many participants were engaged in job search, basic education, or particular job training programs, we also asked a number of open-ended questions which allowed the individuals to tell us about their experiences in the JOBS program in their own words. This allowed Unheard Voices to include concrete examples of the problems individuals face and numerous direct quotes from JOBS participants themselves.

Most individuals the Coalition spoke with were very positive about their experiences with the JOBS program; however, many expressed their anxiety about actually finding a job after completing their education or training activity.

Seventy-seven percent of those interviewed reported being either very satisfied or satisfied with the JOBS program as a whole. Fifty-three percent said their participation had been positive for their children as well.

Many commented that they were providing a positive role model to their children. As one participant commented, "My child tries harder in school now because she sees Mommy studying. Sometimes we do our homework at the same time."

Contrary to the common stereotypes that welfare recipients do not want to work, almost all the JOBS participants interviewed by the Coalition were extremely eager to get a job that could support their family. We want jobs and we want to get off welfare was the clear message from welfare recipients we interviewed.

Ninety-two percent of JOBS participants surveyed by the Coalition had been employed before and most had extensive work histories. Their previous jobs, however, had paid low wages and offered limited opportunities for advancement. A significant number of welfare recipients volunteered to participate in the JOBS program.

As one 21-year-old Texas participant told our researcher, "I don't want to be on welfare the rest of my life. I want a job to support my kids."

While the JOBS program overall was rated positively by the majority of participants, specific problems were identified by those surveyed. For example, 79 percent in job readiness programs said they were taught things they already knew. Many said they had worked for years and did not need to be taught how to act on the job.

One 30-year-old New Jersey participant commented, "We didn't do anything but talk about how to dress, talk, et cetera. I already knew that. The little money welfare gives isn't enough for all that dressing. I can dress if I had enough money to buy clothes."

Twenty-seven percent surveyed wanted a different employment goal than what was identified for them by their JOBS caseworker.

Some complained of being placed in job preparation activities that were inappropriate for their educational or skill level.

Thirty percent reported that they were not learning skills that would help them find a job. A 42-year-old Oregon participant enrolled in job search remarked, "If I can't take medical terminology classes, I'll end up in a five dollar per hour job again and never get out of the system."

Thirty percent indicated that they had not been properly informed about how to obtain all of the support services available through JOBS. Late or nonexistent reimbursements or vouchers from the State welfare agency made obtaining child care and transportation a problem for some participants.

The Coalition on Human Needs believes that the JOBS program does not and cannot address one of the most significant problems facing welfare recipients: the nature of the job market itself. The JOBS participants we interviewed in our study shared this concern.

Even if participants increase their education and skills, they cannot be self-supporting if they cannot find a decent job. Despite recent improvements in the national unemployment rate, jobs are simply not available in many economically depressed communities where unemployment rates remain high.

In addition, long-term structural changes in the economy have led to more low-wage jobs and fewer well-paying jobs for low-skilled workers, thereby severely limiting the ability of welfare recipients to move out of poverty through employment.

As one 37-year-old New Jersey participant so aptly remarked, "How are you supposed to survive on the minimum wage, feed the kids, rent, utilities?"

Another New Jersey participant commented, "Some of the things I learned were helpful. I have no problem with that. But what makes a program good is a good job. Without a good job I have wasted a lot of time for nothing."

Quality child care and access to health care are also critical for people to move off welfare and into the workforce. JOBS provided some support services while individuals were participating in the education and training jobs activity and for a transition period, but there are no guarantees that people will have access to these necessary supports once they are in the workforce, particular the low-wage workforce.

AFDC recipients we spoke with were positive about the basic outline of the JOBS program but they and we believe that a much broader range of policies to address job creation and wage levels, access to health care, child care, and other supports for working families are also necessary.

Thank you.

[The prepared statement of Ms. Jennifer Vasiloff follows:]

Statement of Jennifer A. Vasiloff, Executive Director of the Coalition on Human Needs
before the Subcommittee on Human Resources, Committee on Education and Labor,
U.S. House of Representatives

April 19, 1994

Thank you Mr. Chairman and members of the subcommittee. I am Jennifer Vasiloff, Executive Director of the Coalition on Human Needs. The Coalition on Human Needs is an alliance of over 100 national organizations working together to promote public policies which address the needs of low-income and other vulnerable Americans. The Coalition's members include civil rights, religious, labor, and professional organizations and those concerned with the well-being of children, women, the elderly, and people with disabilities. Over a year ago, the Coalition formed a Welfare Reform Task Force because of our member organizations' strong interest in this subject.

I was asked to speak today about a recent report the Coalition on Human Needs completed entitled Unheard Voices: Participants Evaluate the Job Opportunities and Basic Skills (JOBS) Program. I have provided the committee with copies of the complete report, Unheard Voices, and will only highlight some key points this morning.

In the Coalition's study, JOBS participants in four states (Missouri, New Jersey, Oregon, and Texas) were asked for their candid assessment of the program in order to get feedback from people rarely heard in national policy debates -- those actually affected. While our report includes the expected statistical breakdown of how many participants were engaged in job search, basic education or particular job training programs, we also asked a number of open ended questions which allowed the individuals to tell us about their experiences in the JOBS program in their own words. This allowed Unheard Voices to include concrete examples of the problems individuals face and numerous direct quotes from JOBS participants themselves.

Most individuals the Coalition spoke with were positive about their experiences with the JOBS program. However many expressed their anxiety about actually finding a job after completing their education or training activity. Seventy-seven percent of those interviewed reported being either very satisfied or satisfied with the JOBS program as a whole. Fifty-three percent said their participation had been positive for their children as well. Many commented that they were providing a positive role model to their children. As one participant commented, "my child tries harder in school now, because she sees Mommy studying. Sometimes we do our homework at the same time."

Contrary to the common stereotype that welfare recipients do not want to work, almost all the JOBS participants interviewed by the Coalition were extremely eager to get a job that could support their family. "We want jobs and we want to get off welfare," was the clear message from welfare recipients we interviewed. Ninety-two percent of JOBS participants surveyed by the Coalition had been employed before and most had extensive work histories. Their previous jobs, however, had paid low wages and offered limited

opportunities for advancement. A significant number of welfare recipients volunteered to participate in the JOBS program. As one 21-year-old Texas participant told our researcher, "I don't want to be on welfare the rest of my life. I want a job to support my kids."

While the JOBS program overall was rated positively by the majority of participants, specific problems were identified by those surveyed. For example:

- 79 percent in job readiness programs said they were taught things they already knew. Many said they had worked for years and did not need to be taught how to act on the job. One 30-year-old New Jersey participant commented, "We didn't do [anything] but talk about how to dress, talk, etc. I already know that. The little money welfare gives isn't enough for all that dressing. I can dress if I had enough money to buy clothes."
- 27 percent surveyed wanted a different employment goal than what was identified for them by their JOBS caseworker. Some complained of being placed in job preparation activities that were inappropriate for their educational or skill level. 30 percent reported they were not learning skills that would help them find a job. A 42-year-old Oregon participant enrolled in job search remarked, "If I can't take medical terminology classes, I'll end up in a \$5 per hour job again and never get out of the system."
- 30 percent indicated they had not been properly informed about how to obtain all of the support services available through JOBS. Late or nonexistent reimbursements or vouchers from the state welfare agency made obtaining child care and transportation a problem for some participants.

The role of supportive services in the JOBS program is a very important one. The JOBS program is unique among job training programs in that it guarantees child care. The importance of child care was underlined by the comment of one New Jersey participant with a five-year-old child, "I have to have good child care before I can even think about training or work." Sixty-one percent of those interviewed reported using child care while in the program. Ninety-one percent of those using child care reported it had been paid for by the JOBS program. However twenty-one percent reported having problems with child care payments. Of this group over half said the reimbursement or payment was late in arriving. Almost one in five said that reimbursement or payment never arrived.

Under JOBS, states also are required to provide transportation to enable AFDC recipients to participate. Eighty-seven percent of participants reported they were receiving transportation assistance from JOBS. Twenty percent reported they had trouble finding adequate transportation to their program. This usually was caused by inadequacies of the public transportation system or no access to a car. The remaining 12 percent cited problems with public transportation or car breakdowns. Of the 22 percent who reported problems, 57 percent said they received their reimbursement late and 31 percent said they never received their reimbursement. In addition, 26 percent reported

their transportation reimbursement did not cover the costs they incurred.

The Coalition on Human Needs believes that the JOBS program does not, and cannot, address one of the most significant problems facing welfare recipients: the nature of the job market itself. The JOBS participants we interviewed in our study shared this concern. Even if participants increase their education and skills, they cannot be self-supporting if they cannot find a decent job. Despite recent improvements in the national unemployment rate, jobs are simply not available in many economically depressed communities where unemployment rates remain high. In addition, long-term structural changes in the economy have led to more low-wage jobs and fewer well-paying jobs for low-skilled workers, thereby severely limiting the ability of welfare recipients to move out of poverty through employment.

As one 37-year-old New Jersey participant so aptly remarked, "How are you supposed to survive on the minimum wage -- feed the kids, rent, utilities?" Another New Jersey participant commented, "Some of the things I learned [were] helpful, I have no problem with that... What makes a program good is a good job. Without a good job, I have wasted a lot of time for nothing."

Quality child care and access to health care are also critical for people to move off welfare and into the workforce. JOBS provided some support services while individuals were participating in the education and training JOBS activity and for a transition period. But there are no guarantees that people will have access to these necessary supports once they are in the workforce, particularly the low wage workforce.

AFDC recipients we spoke with were positive about the basic outline of the JOBS program but they and we believe that a much broader range of policies to address job creation and wage levels, access to health care, child care and other supports for working families are also necessary.

Thank you.

Ms. WOOLSEY. Thank you very much. Mr. Greenberg.

Mr. GREENBERG. Thank you. I greatly appreciate having an opportunity to speak with the subcommittee this morning. I commend the subcommittee for holding this hearing and, in particular, for doing something that is, frankly, very unusual in the welfare debates, which is having AFDC recipients have an opportunity to come in and talk to you about their circumstances and their needs and what kinds of programs might make a difference for them.

As you heard the prior panel and as you have heard the testimony from Jennifer Vasiloff, I think there are some very consistent themes. For significant numbers of families in the AFDC system, they very much want to work but they need help. Sometimes the JOBS program provides that help; sometimes it doesn't.

As we look ahead to welfare reform, it is critical to appreciate something which is, frankly, not often appreciated in this debate, which is that the JOBS program is a good program. It has moved AFDC in a positive direction.

There are many respects in which it could be a better program. We can build on it over time but as we look ahead to welfare reform, a central question will be whether welfare reform, in fact, builds on the JOBS program and strengthens the JOBS program or whether it unravels much of the progress that the JOBS has made.

In thinking about the program itself and where it stands today, one feature to keep in mind is the size of the program itself. You have heard the problem of someone on the waiting list for two years. The reality around the country is that the JOBS program is too small. On any given month the program involves probably about 11 to 12 percent of the families in the AFDC system.

On the one hand, this is better than it used to be. We now have a system which is providing services and providing assistance to about a half a million families a month. That is a significant step forward.

It is very far short of being a system that provides the assistance to all who need it and that provides it when they need it. And so as we look at welfare reform, one question will be how to expand the program, how to insure that people are not on a waiting list for two years.

A second notable feature of the program which you have heard this morning is that the JOBS program has really involved a very dramatic shift in many States towards providing access to education and training which didn't used to be a part of the AFDC system.

It is sometimes difficult to sort out what State's programs actually do because for quite a long time there have been things called education and training programs run by States. But in many of the programs of the 1980s, they rarely actually offered education and training assistance.

The JOBS program has been different. In many States around the country it has meant a dramatic shift towards making education and training services available to AFDC families. We do have to keep in mind that it is still only a small percentage of those in the AFDC system, but the shift really has been notable.

In 1985 when the General Accounting Office looked at State programs then, the indications were that probably about 3 percent of participants were in some kind of basic education activity. In the JOBS program in the most recent figures, it is now approximately 25 percent. About half of JOBS participants each month are involved in some form of education and training program.

As we think about the program growing and developing over time, it is certainly true that there are important unresolved questions about how to be sure that that education is most effective, how to be sure that it's effectively integrated with training, that it's integrated with work experience, that those who want to work first and go back to education later have opportunities to do so.

But, at the same time, we need to recognize that the system has made a significant step forward in making it possible for AFDC to be a form of income support to let people proceed with, continue, complete education. And it's very important that that not get lost as welfare reform goes forward.

At the same time, we do need to recognize that there is more that the program needs to do in strengthening employment linkages. As we look at State performance in the program, it is clear that States have made very limited use of opportunities for wage subsidy approaches, for opportunities for on-the-job training programs, and that the funding for job placement and development efforts is not what it should be in many States.

Part of the reason for that, in my opinion, is that States around the country have been primarily pushed by the Federal Government to focus to a very great extent on meeting Federal participation rates, rather than focusing on program outcomes.

Participation has been virtually the only thing measured by the Federal Government. It is where States run the risk of being penalized, run the risk of losing Federal funds. There is no Federal performance standards in place other than the participation rates. There is no Federal outcome tracking for this program.

Many of the questions that were raised this morning about what kind of jobs do people get and how much do they pay and where do they lead over time and are there career ladders are all questions where it would be enormously valuable to have better information in this program.

At present, we have virtually no information from this program on those kinds of questions because the Federal Government has not sought to collect it. And so we enter into a welfare reform debate in which there are many strong opinions about what happens after an individual enters a minimum wage job and where they may be likely to be a year later, but the reality is that the Federal Government has not been asking States to collect the information that could help us truly answer those questions.

On the topic of child care it is, again, an area where we have seen significant progress as States have implemented JOBS. There is no question that the welfare system today does a better job of providing child care than it did five years ago; that for many families participating in education, training, work activities, the system provides a level of assistance which was simply not in place before the Family Support Act.

At the same time, there are some real stresses operating because of the cost of providing this assistance. We see it in some States where States are using child care and development block grant funds as a means of funding the AFDC child care guarantee because States either cannot or don't wish to put in sufficient State funds to provide child care.

We also see a set of States around the country where there have actually been lawsuits by individuals who need child care to participate in education and training programs and where the States have denied that assistance because of limited State resources.

So even at this current level of services, States are facing the stress of needing to provide child care to those who need it. That is something which is only going to become a more serious problem as we look ahead to welfare reform.

My last comment is just that as the year goes forward the committee is surely going to be facing a whole array of proposals for things called time-limited welfare that will involve one form or another of proposals for two-year limits.

As these proposals come forward, virtually every one of them, I suspect, is likely to say that it will be significantly expanding funding for the JOBS program. That is one question to look at, but it is clearly not the only one to look at as you consider what the possible impact of time limits might be on the JOBS program.

If the funding for the program is increased but the participation rates are increased vastly more than the funding, then it may well mean a serious dilution of services. It also may well mean that in a time-limited structure the basic focus of the program changes in a profound and potentially disturbing way.

Because as you have talked this morning and as you have heard the recipients speak this morning, there is broad agreement among many that the key to services needs to be individualization, needs to be looking to what a particular person's circumstances are, what makes the most sense in light of those circumstances.

We run the risk that in a two-year time-limited system that the primary factor which is used in trying to decide what services an individual gets is the factor of how many months they have received assistance. That instead of looking to what someone's experience has been in the workforce to what their education level is to what their needs are or to what might make sense as a program to help them move forward in the future, that instead the primary focus is how many months of AFDC has the person previously received and what does that leave them entitled to on a two-year clock.

So as you look ahead there are critical questions to ensure that any proposals that are considered for time-limited welfare are evaluated in terms of their potential impact on the JOBS program and the potential ability of the AFDC system to provide the education and training and employment services that families need to succeed in the workforce.

Thank you.

[The prepared statement of Mr. Mark Greenberg follows:]

Summary of the Testimony of Mark Greenberg
Senior Staff Attorney, Center for Law and Social Policy
1616 P St., NW, Suite 150, Washington, DC 20036
202-328-5140

As Congress considers the progress of the JOBS Program and potential future welfare reform activities, there are several key points to consider:

First, in any given month, JOBS involves about 11% to 12% of adult AFDC recipients. The primary reason is the lack of state resources to make the program larger.

Second, JOBS implementation resulted in greater access to education and training for AFDC families. In FY 92, about one fourth of JOBS participants were engaged in high school completion or another basic education activity each month, and over half of JOBS participants were involved in some form of education and training activity.

Third, state programs in initial JOBS implementation involved much less emphasis on job placement and development, and on such activities as work supplementation (subsidizing wages through AFDC grants) and on-the-job training. A principal reason for this relative lack of emphasis may have been the pressure of meeting federal participation rates, which often meant that activities which did not directly translate into raising the state's participation rate were given lower priority.

Fourth, implementation of the Family Support Act has resulted in dramatic expansion of the provision of child care assistance to AFDC families. However, the numbers receiving assistance are still relatively small - probably about 3% to 4% of AFDC families each month. Even this small number has placed great stress on state finances, resulting in some states in practices to discourage use of child care, and in some states using Child Care and Development Block Grant funds to meet their duties under the AFDC child care guarantee.

Finally, as Congress considers welfare reform alternatives, it is important to consider how proposals for time-limited AFDC could impact on the JOBS Program. While proposals vary, time-limited proposals sometimes provide that a family could have access to education and training services during the first two years of AFDC receipt; any subsequent assistance - whether through AFDC or a post-AFDC structure - would only be provided in return for work. There is reason to fear that such proposals could ultimately result in significant curtailment of access to education and training activities. Among the concerns are whether a two year limit would formally or in practice discourage people from engaging in longer-term training programs; whether it would substantially preclude access to postsecondary education; whether it would impair access to education for those who cycle on and off AFDC, and between AFDC and low-wage work; and whether it would result in denial of access to education and training for those families who exhaust their twenty-four months at one point in life, and need help at a later point. While we must ultimately await the details of specific proposals, there is reason to be concerned that a time-limited assistance structure could result in increased JOBS funding, but decreased access to education and training opportunities for poor families.

Members of the Subcommittee:

My name is Mark Greenberg. I am a Senior Staff Attorney at the Center for Law and Social Policy (CLASP). CLASP is a non-profit organization engaged in research, analysis, technical assistance, and advocacy on issues affecting low income families. My primary area of work involves federal and state welfare reform efforts. Since enactment of the Family Support Act, I have closely followed and written extensively on the law governing the JOBS Program, developments in state implementation of JOBS, and data and research relating to JOBS implementation. I greatly appreciate having an opportunity to talk with you today about the status of JOBS and some important questions about the program's future.

In the next few minutes, I want to do two things. First, I will draw on some federal data to describe some of the key features of the current JOBS Program. Then, I want to raise some questions and concerns about the viability and nature of a serious commitment to education and training in the JOBS Program if some form of two year limit on AFDC is adopted.

The Status of JOBS

In the current welfare reform debates, discussions about JOBS are often based on strong opinions and limited data. In part, this is because JOBS is still young in many respects. States were not required to begin implementing JOBS until October 1, 1990, and were not required to operate statewide programs until October 1, 1992. Preliminary data from FY 92 has only recently become available, and it will be some time before there is any data from FY 93, the first year of statewide implementation across the country.

A second reason why JOBS discussions are based on limited data is because in the program's early years, there have been serious deficiencies in the available data. In particular, we now have, or will eventually have, a great deal of data about the nature and extent of program participation, but virtually no data about the outcomes of JOBS participation. I will return to this point later in my testimony.

In looking at the available data for FY 92, four features of JOBS stand out:

- On a monthly basis, JOBS involves about 11%-12% of AFDC adults.
- JOBS has resulted in a significant increase in access to education and training, though for a limited fraction of AFDC families.
- In the program's early years, there has been only minimal usage of those features which require stronger linkages to businesses: job placement and development, work supplementation, on-the-job training.
- While many JOBS participants receive child care assistance, most do not.

I'll discuss each point in turn.

- **On a monthly basis, JOBS involves about 11% - 12% of AFDC adults.**

In FY 91, in an average month, the number of JOBS participants nationwide was either 460,914, or 498,195, or 500,674, depending on which report one uses. In any case, this represented about 11% to 12% of adult AFDC recipients. In FY 92, the average number of participants each month is estimated to be 510,000, again representing about 11 to 12% of adult AFDC recipients. This number is a measure of those who were involved in the program in some way in an average month. As such, it is important to keep in mind that over the course of a year, a larger number of people will participate in the program, though there is no figure reflecting that number.

The limited number of participants is not because states lack the authority to do more. To the contrary, a state exercising available federal options could probably require participation from approximately 80% of adult AFDC recipients. Rather, the principal constraint on states has been the lack of funding to expand their programs further.

The limited number of participants has three key implications for this subcommittee to consider as you consider welfare reform proposals in the coming months.

- First, if JOBS is to expand, it will need additional funding.
- Second, it is important to ensure that additional funding reflects the number of additional recipients. For example, if program funding is doubled but the number of participants is tripled, what is the likely effect on the ability of states to provide education and training services of appropriate quality?
- Third, it is important to distinguish between the character of JOBS and the character of the AFDC system. For example, as I'll discuss in a moment, about half of JOBS participants are engaged in an education or training activity each month, but that translates to only 5% to 6% of AFDC recipients. AFDC may provide greater access to education and training than it used to do, but AFDC has not been turned into an education and training system.

In its early years, the JOBS Program involved a significant shift toward providing access to education for AFDC recipients.

In the initial years of JOBS implementation, states greatly increased access to education for AFDC recipients. One cannot precisely compare FY 91 and FY 92 because data reporting requirements changed between the two years. However, the overall picture for both years seems quite similar: each month, over half of JOBS participants were involved in some form of education or training activity.

- Each month, about a quarter of JOBS participants were engaged in education below the postsecondary level: high school completion, GED preparation, English as a Second Language, or basic education classes. The figure reported for FY 91 was 25.6%; the figure for FY 92 is 24.5%.¹
- A substantial number of JOBS participants were also engaged in some form of postsecondary education: 19.4% of participants were engaged in either self-initiated or program-assigned post-secondary activities in FY 91, and 14.9% in FY 92. Due to data limitations, it is not clear what kind of postsecondary education was involved, i.e., how many people in this category were attending two-year schools, four-year schools, or proprietary schools.
- A third substantial component of JOBS has involved skills training programs. In FY 91, 14.5% for participants were engaged in skills training; in FY 92, 15.8% were engaged in vocational or job skills training.

In providing this access to education and training programs, many states made a significant shift from their approach during the 1980s. Before JOBS, states often ran programs called education and training programs but which primarily just involved group or individual job search requirements. When the General Accounting Office surveyed state WTN Demonstration Programs for FY 85, the GAO found that only 3.2% of participants were involved in remedial or basic education, 2.3% in vocational skills training, and 1.6% in post high school activities.² Thus, the emphasis in state programs shifted dramatically in the initial years of JOBS implementation.

What accounted for this shift in state emphasis? While the answer may be somewhat different in each state, I think that there were four primary factors:

- **To a great extent, states were following the direction set by Congress in the Family Support Act.** The FSA required that, with limited exceptions, states require education for individuals without a high school diploma. The FSA also established targeting requirements, which included individuals who had received AFDC for longer periods of time, and young parents who had not completed high school.

FY 91 figures are drawn from the published data in the 1993 Green Book, Background Material and Data on Programs within the Jurisdiction of the Committee on Ways and Means, WMCP 103-18, at pp. 636-37. FY 92 figures are drawn from preliminary HHS analysis of the FSA-108 data reporting for the year, which should be published in final form in the near future. While the FY 92 figures may still be subject to modification, no substantial revision is anticipated.

Sgg **WORK AND WELFARE: Current AFDC Work Programs and Implications for Federal Policy**, GAO HRD 87-34 (January 1987), at p. 70.

- **As states assessed individuals, they became aware of the severity of education deficits.** In FY 92, 46.1% of JOBS participants had not completed high school. Often, even those who had completed high school had severe education deficits. Moreover, the deficits for long-term recipients are typically greater than for short-term recipients. For example, in the research sample for Alameda County's GAIN Program in California, comprised of longer-term recipients, 41% of those determined to need basic education already had a high school diploma or GED. Research by LaDonna Pavetti found that among a group of young women who did not exit AFDC over a five year period, 72% had entered AFDC without a high school diploma or GED; 76% scored at least one standard deviation below the mean on the Armed Forces Qualifying Test.¹
- **States had come to appreciate the limits of job search-only programs.** During the 1980s, job search programs were extensively operated and evaluated. The overall finding and experience was that they raised employment rates, but did not increase the amount people earned while working or the likelihood of getting a job that would help a family escape poverty.
- **Like many others, states concluded that an investment in education was the best way to increase the chances that a parent could get a job that would support a family.** At the time states were designing their JOBS Programs, a consistent theme heard by many was that the jobs of the future would require more education and greater cognitive processing skills; moreover, trends in the economy made clear that jobs for those with limited educations were facing stagnant or declining real wages.

What have been the impacts of this state shift toward access to education? Unfortunately, this question cannot be adequately answered, for two reasons. First, any program emphasizing education is necessarily deciding to invest current dollars in the hope of future returns, and would expect to demonstrate its impacts over the long-term. Second, at the onset of JOBS implementation, HHS made the decision to require virtually no outcome reporting from states. States report only minimal information about job entries, and none of that data has yet been published. As a result, there is no available federal data on basic, fundamental questions about JOBS outcomes.

In the absence of federal outcome reporting, much of the debate has centered around interpreting the findings from the Manpower Demonstration Research Corporation's evaluation of California's GAIN Program. Over two years, the experimental group in the California GAIN study had earnings 21% higher than the control group, with the earnings differential growing in the second

¹ LaDonna Pavetti, *The Dynamics of Welfare and Work: Exploring the Process by Which Women Work Their Way Off Welfare* (unpublished doctoral dissertation, Harvard University, 1993).

year.⁴ One county, Riverside, had exceptionally high impacts - the earnings of its experimental group were 55% higher than its control group. Some people have suggested that the "lesson" of Riverside is that the JOBS Program needs to become much more focused on immediate job search requirements rather than education access. I think this is an inappropriate conclusion to draw, for two reasons:

- The Riverside Program is far more than a job search program. While Riverside emphasized job search more than the other measured California counties, it involves a strong and impressive management structure, notable linkages to job placement and job development activities, and also involves a substantial education and training component. In fact, over the measured eleven month period, more individuals participated in education and training than in job search.⁵ Further, a number of other programs that strongly emphasize job search have been measured in the past, and none had impacts approaching the Riverside level.
- It remains to be seen which model is most effective in raising earnings over time for those who enter employment, and which model is more effective in reducing poverty. At this point, only two year impacts are available; longer term follow up is needed. Moreover, in Riverside, the overall earnings gains were associated almost entirely with more people working, rather than with higher pay for those who worked. In contrast, nearly half of the earnings gains in Alameda County, and half the earnings gains in Butte, were associated with higher pay rates for experimentals who entered employment; both these counties more strongly emphasized education.⁶

In short, it is still early in the life of the JOBS Program, and much remains to be learned about the most appropriate balance between education and training and workforce attachment approaches for JOBS Programs.

In looking at the early experience of JOBS, some observers have suggested that JOBS has gone "too far" in the direction of focusing on education. Here it is important to distinguish several themes. One concern is that the program needs to strengthen its employment linkages; I suspect there is broad agreement among program administrators on this point. Another concern is that when JOBS buys education slots or refers individuals to those slots, the education program may or may not be of good quality or one that strengthens the skills needed to succeed in employment.

⁴ Numbers in this discussion are drawn from Friedlander, Riccio, and Freedman, *GAIN: Two Year Impacts in Six Counties* (MDRC, May 1993).

⁵ Over eleven months, 36.3% of experimentals participated in an education or training activity, and 34.3% participated in job search.

⁶ Friedlander, et al. at 48. Over two years, the impact on earnings for the Alameda Program was 26%; Butte's impact, which did not reach statistical significance, was 20%.

While this is true of any program service, it is not an argument against education, but rather a caution that states must attend to the quality and appropriateness of program services. A third concern, however, is that education may be more effective after an individual has had labor market experience, and that individuals will benefit most by immediate employment. Here it is crucial to acknowledge the heterogeneity of the AFDC population: there are some parents with little or no work history who may benefit most by immediate employment, and others who have had repeated experiences in low wage jobs without career ladders, and who have identified the need for education to progress further in the labor market. A comprehensive program approach needs to be able to look at individual circumstances and structure services based on individual needs.

One of the strengths of the JOBS Program has been its flexibility to let states strike their own balance between education and training and immediate workforce attachment activities, and to adjust and readjust that balance over time in response to program experience. It is important that the next round of welfare reform not be structured in a way that precludes states from retaining a serious commitment to education and training access for AFDC families.

In the program's early years, there has been only minimal usage of those features which require stronger linkages to businesses: job placement and development, work supplementation, on-the-job training.

While the JOBS Program has demonstrated a strong commitment to education, its progress has been much less in those areas which involve direct employer linkages: job placement and development activities, work supplementation, and on-the-job training. The lack of stronger employment linkages is of concern for several reasons. First, in many instances, individuals do not wish to participate in education; they want to enter employment as rapidly as possible. In those cases, a more comprehensive program could increase their employment opportunities. Second, the impacts of education and training efforts may be diminished when a program lacks the ability to readily translate educational gains into employment opportunities in the local community.

Job placement and development is one of the required components of state JOBS Programs. However, according to preliminary data for FY 92, states expended only 3.9% of their JOBS funding for these activities. While there are some significant problems with the reliability of data on spending by JOBS component, the figure does underscore that this has not been an area in which many states have devoted significant new resources.

Similarly, states have consistently demonstrated very low utilization of work supplementation (subsidizing job placements with AFDC funds) and on-the-job training. The last month for which actual participation numbers is available is September 1991; at that point, there were 1699 people in on the job training, and 751 in work supplementation on a national basis. For FY 92, HHS figures indicate that .4% of participants were in on-the-job training, and .1 in work supplementation each month.

Use of work experience placements has also been low; in an average month in FY 92, HHS figures indicate 3.7% of participants in community work experience programs, and 1.5% in "other" activities which may or may not include work experience.

Why are these figures so low? The answers vary somewhat for each of the activities. For example, many states clearly made a conscious decision to shift away from community work experience programs, because of their belief that community work experience programs were not the most effective way to raise employment and earnings. Indeed, a recent discussion of unpaid work programs concluded "there is little evidence that unpaid work experience leads to consistent employment or earnings effects."⁷

For work supplementation, states often articulate that a reason for its low utilization is the restriction in current law prohibiting use of work supplementation for existing unfilled position vacancies. However, there is no similar prohibition for on-the-job training, which also shows very low utilization.

I believe that overall, there is one principal explanation for the relative underinvestment in job placement and development, work supplementation, and on-the-job training: the impact of federal participation rate requirements. Under the Family Support Act, states are subject to fiscal penalties for failure to meet steadily increasing participation rates. This requirement was made significantly more difficult when HHS developed a complex definition of participation which turns on the number of individuals who, as a group, are scheduled to attend at least 20 hours a week of program activity (and who actually attend at least 75% of scheduled hours). In the initial years of JOBS implementation, the combination of difficult participation requirements and no requirement to track or report outcomes sent a powerful message to states that the goal of the program was participation; that participation was the primary aspect being measured, and the primary basis for which states could suffer fiscal penalties. As a result, in many communities, the central focus of the JOBS Program has been meeting participation rates. This is an instance in which you get what you measure, and the signal sent to states was that they would be measured on participation.

When the major task of an administrator is to generate some number of persons participating for 20 hours a week, the administrator necessarily must consider which components most easily generate a number of 20-hour participants. Those components which require individualized attention to each slot and one-at-a-time development - such as work supplementation and on-the-job training - are not an attractive way to maximize participation. Those expenditures of resources which may increase employment opportunities are not seen as efficient if they "only" result in jobs instead of additional 20-hour-a-week participants.

As the welfare reform debate goes forward, it is important to appreciate that many states would like to ensure that their programs are more strongly employment focused. The problem is not

⁷ Brock, Butler, and Long, *Unpaid Work Experience for Welfare Recipients: Findings and Lessons from MDRC Research* (Manpower Demonstration Research Corporation, September 1993), at p.3

that this idea has not occurred to them; the problem is that virtually all of the pressure from the federal government has pushed them in the opposite direction.

- **While many JOBS participants receive child care assistance, most do not.**

One of the most significant accomplishments of the Family Support Act has been the increase in the availability of child care for AFDC families to participate in education, training, and work-related activities. While there continue to be concerns about the extent, availability, and quality of care, there is little dispute that the AFDC system offers more assistance now than it did five years ago.

States have greatly expanded their child care assistance since they began implementing the Family Support Act. AFDC child care spending increased from \$263 million in FY 91 to \$360 million in FY 92 to \$482 million in FY 93. This is in sharp contrast with the initial expectations of some observers that child care costs for JOBS implementation would not be substantial. In fact, many state agencies readily acknowledge that the cost of child care is the primary factor limiting the growth of the JOBS Program.

AFDC child care spending is matched by the federal government at the Medicaid matching rate, which requires a state contribution to the cost of care. Unfortunately, some states have dealt with the fiscal stress of increased child care demands in one of several troubling ways:

- Some states have sought to control child care costs by refusing to approve appropriate education and training plans, or by denying child care for approved plans. Indeed, the major area of litigation around the Family Support Act has concerned the unavailability of child care assistance. In six states, there have been lawsuits filed by individuals who wanted child care assistance in order to participate in education and training programs, and were being denied child care assistance by their states. In four of the states, courts have held the state practices unlawful, on either a preliminary or final basis.
- Some states have sought to reduce their state spending on AFDC child care by using federal funds under the Child Care and Development Block Grant to provide child care to AFDC families eligible for care under the Family Support Act's child care guarantee. A recent survey by the Children's Defense Fund identified a group of states that had begun using CCDBG funds to provide child care to AFDC families in instances where the families would qualify for care under the child care guarantee.⁸ This practice is disturbing because it reduces fiscal stress on states by reducing the availability of child care for working poor families outside the AFDC system.

⁸ Nancy Ebb, *Child Care Tradeoffs: States Make Painful Choices* (Children's Defense Fund, January 1994).

Another way in which a state might control the cost of child care spending is through informal practices which discourage or do not encourage the use of child care assistance by JOBS participants. To know the extent to which this is occurring, one would want to know more about the extent of child care utilization among JOBS participants. Unfortunately, it is difficult to attain reliable figures on JOBS child care utilization. According to preliminary figures for FY 92, it appears that approximately 35% of JOBS participants were receiving child care in an average month. However, there are a number of reasons to treat this figure with caution. First, eleven of fifty four jurisdictions did not report data on this subject. Second, there are very large variations between states, though it is unclear how much of this is attributable to state practices and how much is attributable to variations in data reporting. Third, based on the wording of the federal instructions, a state responding to this question was not just supposed to indicate the number of participants receiving AFDC-assisted child care, but also those receiving assistance not paid for by AFDC, and possibly those receiving unpaid child care. As a result, there is not a clear figure for the percentage receiving AFDC-assisted child care, or the percentage receiving child care assisted by the Child Care and Development Block Grant, or other possible sources.

For different reasons, it was also impossible to determine the percentage of JOBS participants receiving AFDC-assisted child care in FY 91, although the figure appeared to possibly be in the range of 25% to 30%.⁹

Assuming that somewhere between one-fourth and one-third of JOBS participants are receiving child care assistance, the question remains how to interpret its significance. Should one expect a higher utilization rate? In preliminary numbers for FY 92, it appears that 61.4% of JOBS participants had a child under age 6 and another 27.6% had a child between ages six and eleven. Thus, 89% of JOBS participants had a child under 12, while not more than 35% of JOBS participants were receiving child care assistance. At least in some cases, a reason may have been that the parent was only in JOBS at a minimal level. However, 75.3% of JOBS participants were scheduled for more than 10 hours a week of program participation.

We do not have data on why those not receiving child care assistance were not receiving it. There are a range of possible explanations, including activities scheduled when a child is in school, available grandparents or other relatives, children in Head Start. However, the gulf between those with young children and those receiving child care assistance suggests the need to better understand and monitor state practices, particularly as more parents of young children become involved in JOBS in the future.

Finally, while the increase in child care assistance under JOBS has been notable, it is important to keep in mind that only a small fraction of AFDC recipients receive child care assistance each month -- probably in the range of 3% to 4%. To the extent that this level of assistance has placed a stress on state funding and on the rest of the child care system, it is important to

⁹ The problems in interpreting FY 91 child care data are discussed in Greenberg, *Welfare Reform on a Budget* (Center for Law and Social Policy, June 1992).

consider the potential effects which could result if welfare reform results in a large increase in JOBS participation.

The Impacts of Time-Limits on Education and Training

In the last part of my testimony, I want to shift away from discussing the current JOBS Program and raise a set of questions and concerns which this Subcommittee may want to consider as you evaluate competing welfare reform proposals. As you know, since the election of President Clinton, there have been a proliferation of proposals for "time-limited welfare." The President indicated he would submit a bill sometime this spring; in the meanwhile, there are a number of alternative proposals in states and in Congress for time-limited assistance. The details, and often the basic design, of the proposals vary considerably. The basic approach, however, is generally to provide that a family could have access to education and training services during the first two years of AFDC receipt; any subsequent assistance - whether through AFDC or a post-AFDC structure - would only be provided in return for work. Proposals often differ dramatically in the extent to which they will provide work opportunities, and in the terms under which work will be offered.

Time-limited AFDC proposals raise a set of difficult issues about the extent and nature of the safety net for poor families with children; about when work should be required; about what is fair compensation for those working in subsidized jobs; and about how to create potentially large numbers of subsidized, low-wage jobs without displacing other workers or having unintended and undesirable effects on the economy. In this testimony, however, I want to limit my focus to one aspect which may be of great concern to this subcommittee - how might a time-limited welfare structure affect the nature of the JOBS Program and access to education and training for the poor families in the AFDC system.

On first glance, one might assume that a time-limited proposal would lead to an expansion of education and training opportunities because the proposal may be accompanied by increased JOBS funding. Typically, time-limited proposals are accompanied by a significant increase in JOBS funding, and sometimes by language suggesting that the proposal would build on and expand the services provided through the JOBS Program.

Despite the likely expansion of the JOBS Program, I believe there is reason to fear that the progress states have made in expanding education and training opportunities for AFDC recipients could unravel under a time-limited system. While we must await the details of any proposal, here are some concerns and questions to keep in mind:

Will a rigid two year limit discourage people from engaging in long-term training programs? In many instances, individuals enter or reenter the welfare system with recent experience in low-wage jobs. They may be "job-ready" in the sense that they could attain a similar job relatively quickly. Since the AFDC eligibility level is typically far below the poverty level, a job that will make the family ineligible for AFDC may still leave the family deep in poverty. Thus, the choice may be whether to exit quickly to a sub-poverty job, or to spend

additional time receiving AFDC and use that time to participate in education or training activities that could increase the parent's earnings capacity in the long run.

Any welfare system must be able to articulate its message to people entering the door. In a two year, time-limited system, one message could be "this is an opportunity to identify and participate in up to two years of education and training." Another message could be "you will only have access to 24 months of cash assistance in your life; you may want to leave as quickly as possible, to save the remaining months for a later point where you might need them." These two messages are fundamentally contradictory -- it is hard to see how the system can encourage participation in longer-term training while simultaneously urging the individual to exit as quickly as possible.

Regardless of the formal message, the system's rules about what happens after 24 months are bound to affect the perceptions of individuals. For example, there are current disputes over the nature of the work obligation for those who reach the two year point. Some people are suggesting that the work obligation at the two year point must be less attractive than unsubsidized minimum wage work, to maintain a strong incentive to seek unsubsidized employment. The result may be the creation of a work obligation where individuals are treated worse than in the worst minimum wage jobs. If the consequences of reaching the two-year point are sufficiently harsh, then it seems likely that those who have a choice will seek to avoid this possibility, even if it means foregoing access to a training program which could significantly reduce the family's poverty in the long-run.

Second, will a two year limit substantially preclude access to postsecondary education? With a rigid two year limit, curtailed access to postsecondary education seems inevitable. Necessarily, the limit would foreclose access to programs which are longer than two years. However, it will often be impossible to complete even a two-year program in twenty-four months. Any number of issues can arise: illness, family crises, class availability, scheduling problems, etc. Moreover, individuals will often be hesitant to take out loans or make other commitments to begin a program without knowing whether they will be allowed to complete the program.

Further, depending on the structure of the new program, and the consequences of individuals reaching the two year point, states may be hesitant to approve programs which could result in individuals reaching the two year point. For example, if states face the burden of creating work slots for all who reach the two-year point, states may have the goal of minimizing the number who reach that point. As a result, states may respond by making their policies on approval of postsecondary education far more restrictive.

Third, will a two year limit impair access to education for those who cycle on and off AFDC, and between AFDC and low-wage work? In the last few years, there has been increasing recognition that the basic pattern of AFDC usage is not long-term, continuous receipt. Rather, data from both the National Longitudinal Survey of Youth and from state caseload dynamics studies suggests that of all new AFDC entrants, about 50% exit within a year, 70% within two

years, and only about 10% receive AFDC continuously for five years without a break.¹⁰ However, among those who exit AFDC, 50% to 70% appear to return at some later point.

There has also been increasing recognition that work exits are much more common than many believed. However, they are often not permanent exits. LaDonna Pavetti found that in a sample of young women, work accounted for 45% of all exits from AFDC, but that two-thirds of those who left AFDC due to work returned within five years. In the recent evaluation of Florida's JOBS Program, 52% of the control group members - who received no services and were subject to no requirements - entered employment within a one year period. However, only 34% were employed in the last quarter of the year.

Any proposal for a two-year limit needs to be considered in light of the dynamics of AFDC receipt. For example, how will employability planning be conducted for those who receive AFDC for a period of time, exit, and then return? If Ms. Smith received AFDC for nineteen months in 1995 and 1996, and returns to seek aid in 1998 or 1999, should employability planning be limited to considering those activities which can be completed within five months (i.e., the remainder of a twenty-four month clock). If Ms. Smith has worked for one or two or three years in the interim, shouldn't that be a more significant factor in determining what kind of JOBS activity would be most helpful?

As this example suggests, a system that is consumed with measuring the number of months remaining in a twenty-four month account may be unable to focus on the basic question of what services and activities make sense for an individual in light of her circumstances.

Finally, **how will a two year limit affect access to education and training for those families who exhaust their twenty-four months at one point in life, and need help at a later point?** One reason to have a flexible system is because peoples' circumstances change. For example, suppose Ms. Smith receives AFDC for two years in her early twenties. Five years later, her marriage breaks up or her job ends, and she returns in need of help. Does it make sense to deny access to education - regardless of her needs and circumstances - because she exhausted her AFDC "account" when younger? If the goal is to ultimately help Ms. Smith succeed in unsubsidized employment, doesn't it make more sense to determine whether that goal could be best attained through subsidized employment, further access to education, or some other services. For many people, the two year limit could have the effect of creating a narrow "window" early in life, and no access to AFDC as a means of income support to participate in education at a later point.

In raising these concerns, I want to be clear that being dubious about the wisdom of a two-year limit does not mean one is opposed to work or opposed to welfare reform. As the debate goes forward, it is essential to recognize that the issue is not whether we need welfare reform, but what kind of welfare reform. If one goal is to ensure that those who are able to work are either

¹⁰ These studies are discussed in Greenberg, *Beyond Stereotypes: What State AFDC Studies on Length of Stay Tell Us About Welfare as a "Way of Life"* (Center for Law and Social Policy, July 1993).

working or preparing for work, what is the best way to achieve it? If a goal of welfare reform is to increase the ability of parents to enter into family-supporting jobs, how can the system's limited resources best be spent to move toward this goal. If access to education is one critical way to reduce the poverty of low-income families, how can we ensure that the need for an employment-focused system does not curtail that access? I hope that as the debate goes forward, this subcommittee can help ensure that these questions are asked.

Ms. WOOLSEY. Thank you, Mr. Greenberg and Ms. Vasiloff. It's obvious why Mr. Greenberg is the father of most of the language that's coming out of our welfare reform legislation from Members of the House. We depend on you so much.

Ms. Vasiloff, what are your recommendations or the recommendations of the members of your coalition for improving job availability and the earning power of people coming out of the JOBS program, given that the state of low-wage labor market right now? I mean do you have any thoughts on that on how to improve it?

Ms. VASILOFF. I think that reforms are needed both within the AFDC system as well as without. Many of the reforms that have been suggested by a range of people interested in welfare reform having to do with earnings disregard or other kind of silly rules that are in the current plan that discourage work or almost penalize work and, particularly, combining work with some level of AFDC receipt, need to be changed.

I think there are other, you know, reforms within AFDC that are important but probably the more important reforms are going to take place outside of the AFDC and JOBS program.

Increasing the minimum wage is one possibility. Dr. Bane mentioned a number of the Clinton Administration's initiatives around the EIC and health care.

All of those things are very important but we in the Coalition have been somewhat frustrated so far that not as many people are asking the labor market kinds of questions about, you know, where are the jobs and do they pay family supporting wages as, you know, we would like to see.

Ms. WOOLSEY. Mr. Greenberg, is there any way that we are evaluating the jobs that we're training people for? To me, it is just such a waste of Federal money to train people for jobs that they can't survive on anyway. Is there a methodology in order to be able to do this better?

Mr. GREENBERG. One of the limitations in evaluating State programs so far has been that in the past the primary focus in evaluating programs has been to have an experimental group and a control group and to look over time at aggregate earnings for the experimental group and compare it to aggregate earnings for the control group.

And that is a very useful measure to tell us whether, on the whole, this raised earnings for a whole large group of people. And it is a very useful measure for helping us to know things like in putting in a certain amount of money into the program what kind of return do we see in aggregate earnings.

What that doesn't answer though is the question of to what extent are those who are entering employment able to attain a job which supports a family and to what extent are those who enter employment and leave the welfare system able either immediately or over time to get out of poverty.

To the extent to which the focus is just on those aggregate numbers, we do not have the picture that we need of the extent to which particular types of training programs and training approaches make a difference in where families are both immediately and over time.

So one of the challenges of the next stage of welfare reform really ought to be to be putting in place the mechanism to measure over time the experience of those families that receive services and receive assistance and the extent to which that assistance makes a difference in actually reducing their poverty and, hopefully, reducing the number of families who are living in poverty.

Ms. WOOLSEY. Mr. Scott.

Mr. SCOTT. Thank you, Madame Chairman. Ms. Vasiloff, I asked a question on a previous panel as to whether we are doing things backwards, whether we ought to be finding people jobs and then training them for those jobs rather than training them generically and then hoping for the best.

Do either of you have a comment on that?

Ms. VASILOFF. I think more should be done in the job creation and the job development area. I think that your concern around that issue is well-founded.

Mr. SCOTT. And that if the arithmetic works, I mean if the package of compensation counting everything we do, earned income tax credit, food stamps, child support and everything else, if the package—health care—if the package works and they can find a job and the arithmetic works that a lot of these things will take care of themselves.

Ms. VASILOFF. I think for a lot of the caseload that might be true, but I think that in, for example, very depressed communities where you have a high concentration of poor people and a low concentration of job opportunities, you really need to make an extra effort in those types of areas to match the people that are willing to work to available jobs.

Ms. WOOLSEY. Mr. Greenberg, did you want to respond to that?

Mr. GREENBERG. Yes, I would be happy to. On the question of trying to insure that training occurs for jobs which are actually there and for which employers have identified needs, this is an area where I suspect many agree the States need to do more.

Virginia was a State which last year put forward a very interesting Federal waiver proposal expressly towards trying to explore a program of that nature that was drawn on extensive conversations with those in the business community about what kind of training would be most useful to them, attempting to expressly link people up with positions and positions which would be intended to assure that those who got them were able to get out of poverty.

I think it is an interesting demonstration project. It is one that plainly needs to be given an opportunity to go forward and to determine its effectiveness.

As we think about the package of assistance for families in low-wage work, there is a real danger in the welfare reform debate that the recent expansion of the earned income tax credit leads us in a troubling direction.

It is sometimes suggested now that with the expansion of the earned income credit that a \$4.25 job has become a \$6 dollar job. It hasn't. It's still a \$4.25 job with a very deep Federal wage subsidy for that job.

And it's important for us to appreciate the distinction between the two. If we think about families entering into minimum wage jobs with a deep wage subsidy through the Federal earned income

credit and with government providing health care assistance and government providing child care assistance, we may find that the Federal Government is subsidizing minimum wage jobs at the level of six or seven or eight thousand dollars a year.

That's quite a lot of money to be paying to make it possible for someone to survive in a minimum wage job. And that really makes it crucial that programs like the JOBS program give consideration to whether initial investment in training for jobs which pay more may actually reduce government costs in the long run.

Mr. SCOTT. Well, if people can get jobs, presumably they are going to be moving up and then you would have the skills available for it to be targeted for the job they can move up to.

Mr. GREENBERG. There are clearly some instances in which what an individual most needs is a minimum wage job because they have no work experience or very little work experience and need to get a foothold in the labor market to be able to move forward.

There are also a significant number of families who enter into the AFDC system who already have significant experience in low-wage jobs and have reached the point where they believe that in order to be able to take that next step in the labor market that they need the opportunity to participate in an education or training program that is going to upgrade their skills.

And, ultimately, it's crucial that in any welfare reform structure there be the ability to accommodate both kinds of families.

Mr. SCOTT. We're talking about the two-year situation. Is there anything logical about a two-year limit because it seems to me that three months would be appropriate to some and four years would be appropriate for others trying as hard as they could?

Mr. GREENBERG. There is a danger that a structure based on a two-year limit means that the focus of the system gets shifted to a great—an extensive focus on two years itself, to measuring two years, to measuring whether an individual has received a certain number of months of assistance, how many months of assistance did they receive last year, how many months of assistance did they receive five years ago, and to a process of essentially just adding up months of aid and making policy decisions about access to education and training or access to work programs based on the issue of how many months of assistance a family has received.

There is a real danger that moving in the direction of any form of rigid two-year requirement where something happens at two years insures that the system has to devote extensive amounts of time arguing about when it has been two years.

Mr. SCOTT. Thank you, Madame Chairman.

Ms. WOOLSEY. Thank you very much. Thank you both for being here with us today. You have just added a lot.

Our final panel will represent some of the views of State administrators and State governments on the expansion of the JOBS program.

First we will have Ray Scheppach, executive director of the National Governors' Association. We will end today's hearing with testimony from Commissioner Larry Jackson from Virginia, who will speak on behalf of the American Public Welfare Association.

Thank you both for coming. Mr. Scheppach.

STATEMENTS OF RAY SCHEPPACH, EXECUTIVE DIRECTOR, NATIONAL GOVERNORS' ASSOCIATION; AND LARRY JACKSON, COMMISSIONER, VIRGINIA DEPARTMENT OF SOCIAL SERVICES, AMERICAN PUBLIC WELFARE ASSOCIATION

Mr. SCHEPPACH. Good morning, Mr. Chairman and members of the subcommittee. I appreciate the opportunity to appear before you today on behalf of the Nation's governors to discuss the States' experience with the JOBS program.

Experience with this current program is helpful as Congress considers the administration's and other welfare proposals later this year. Since you have been going quite a while I will summarize my statement very, very quickly and submit the rest of it for the record.

Madame Chairman, the JOBS program has only been fully operational in every subdivision of every State since October, 1992, and, therefore, we do not have very good information on its success as yet.

However, based on preliminary information, I will offer the following as recommendations if the committee were to make changes in this particular program.

First, with respect to the State match, as we all know, the State fiscal situation has been very strained over the last several years. This has been caused both by a recession which has caused very low revenue growth and, second of all, a huge explosion in the Medicaid program where it averaged over three years 25 percent growth.

It now represents about 17 percent of our State budgets and is approaching the 21 percent which States spend on all elementary and secondary education.

This has caused significant cuts in other programs. The fiscal situation has also caused the States to only draw down about \$400 million in 1991, \$660 million in 1992, and \$700 million in 1993 of the \$1 billion, or approximately \$1 billion, that has been authorized.

In addition to the JOBS match, States must provide a match for both child care and for the Medicaid extensions and, therefore, they have been very strained. Given this, Congress may want to increase the Federal matching rate to expand or speed up the implementation of the JOBS program.

Even with full utilization of current funds, however, the authorized level may be inadequate to meet the participation rates that are in the bill or in the current legislation.

The second issue I would like to address is so-called reinventing welfare. The Family Support Act proposed to change the culture of welfare offices and to develop a system that would insure assessments and to develop individualized employability plans for the JOBS participants.

However, I would argue that the Federal Government continues to send very mixed signals since they emphasize eligibility and payment errors alone and do very little to do performance measures with respect to employment and employability. And I think that this really restricts the States' ability to turn this into a transitional program for employment.

There are also some perverse incentives in current law. Specifically, States are sanctioned by a reduced match if they do not meet the prescribed Federal participation requirements. It has been difficult to meet these requirements and it has essentially diluted the State resources.

Governors believe and urge Congress to consider the adoption of participation targets which reward progress rather than sanctions which penalize, irrespective of mitigating factors.

Changes such as these described will help improve the JOBS program and should be considered as Congress addresses the welfare reform. Madame Chairman, I would be happy to answer any questions.

[The prepared statement of Mr. Ray Scheppach follows:]

NATIONAL
GOVERNORS'
ASSOCIATION



Charles A. Lammont III
Governor of South Carolina
Chairman

Howard Dean
Governor of Vermont
Vice Chairman

Raymond C. Scheppach
Executive Director

Head of the States
400 North Capitol Street
Washington, D.C. 20001-2000
Telephone (202) 696-3600

Statement of

Raymond C. Scheppach, Ph.D.
Executive Director
National Governors' Association

before the

Subcommittee on Human Resources
Committee on Education and Labor
U.S. House of Representatives

on

The JOBS Program

April 19, 1994

Good morning, Mr. Chairman and members of the subcommittee. I appreciate the opportunity to appear before you today on behalf of the nation's Governors to discuss the states' experience with the (JOBS) program. Experience with this current program is helpful as Congress considers the administration's and other welfare reform proposals later this year.

Governors played a key role in the development of the Family Support Act. Our goal was to help welfare recipients move into employment and self sufficiency by providing education and training. The program was to be fully operational in every subdivision of every state by October 1992, where feasible.

As we expected at that time, however, fundamental change is a difficult process. While we have made progress, more needs to be done. In the hope that we can strengthen our ability to move ahead quickly, I want to discuss some of the difficulties states have had in implementing the provisions of the Family Support Act, particularly the JOBS program. I also have some suggestions as to how those problems might be addressed.

State Matching

Under current law, welfare is a joint federal-state responsibility and the Family Support Act provided that states would share in the cost of the JOBS program. As a result, the employment and training program that is the centerpiece of the Family Support Act, the Job Opportunities and Basic Skills program, requires a substantial state match both for employment and training services and for participants' child care expenses. As you know, JOBS is funded as a capped entitlement, with a federal match rate determined primarily by the state Medicaid match rate or 60 percent, whichever is higher. Child care is reimbursed as a separate open-ended entitlement, also at the Medicaid match rate. Administrative

costs for other than full-time personnel working on the JOBS program are matched at the 50 percent rate.

At the time of enactment, no one could have predicted the enormous fiscal pressures on states that would result in many being unable to meet the match and program requirements of the Family Support Act. This problem is a result of a combination of the slow revenue growth during the recent recession and rapidly increasing demands for state resources, particularly in high priority areas such as Medicaid, corrections, and elementary and secondary education. The most recent *Fiscal Survey of the States*, conducted by the National Governors' Association and the National Association of State Budget Officers, pointed out that

Budget cuts and slow revenue growth have exerted a toll on state budgets with the result that significant shifts in state spending have occurred over the past few years. Most significantly, Medicaid's rapid growth has increased its share of state spending from 10 percent in fiscal 1987 to 17 percent in fiscal 1992. Medicaid surpassed higher education as the second largest component of state spending in fiscal 1990 and continues to exact resources at the expense of all other state programs.

States also have had to contend with growth in Aid to Families with Dependent Children caseloads far beyond what was projected when the Family Support Act passed. Between July 1989 and June 1993, AFDC caseloads grew 33 percent nationally, ranging from slight increases in Kentucky, Louisiana, and Mississippi to more than 100 percent increases in Florida and New Hampshire. These increases have further strained already tight state budgets, as states have had difficulty in coming up with the matching funds required for the basic AFDC and Medicaid programs, before even turning to find the funds needed for the new program.

Even with these significant financial problems over the last several years, states have worked diligently to implement the provisions of the Family Support Act and to meet the intent of the law.

State expenditures of federal JOBS funds have grown -- increasing from approximately \$400 million of the \$1 billion available in fiscal 1991 to \$660 million of the \$1 billion in fiscal 1992. In fiscal 1991, that translated, according to the Department of Health and Human Services (HHS), into seven states using their full JOBS allocations. In fiscal 1992, fourteen states claimed their full allocation of federal funds. For fiscal 1993, states claimed about \$700 million, or 70 percent of the total federal funds available. Early projections indicated that nineteen states would provide adequate state match to receive their full JOBS allocation for that year.

In addition to the issue of the JOBS match itself, successful implementation requires increased expenditures for child care. State agencies must guarantee child care for a recipient if the care is necessary for the individual to work. Child care is also mandated for approved education and training activities, and for one year for those in transition from AFDC to employment. In many states, the same amount was spent on AFDC child care as on the JOBS program. Estimates suggest that in fiscal 1993, total federal spending for JOBS and child care would rise to about \$1.4 billion. For this year, there are estimates that the total amount of federal and state JOBS and child care expenditures may exceed \$2 billion. Even with these increases, in many states there are not sufficient funds to meet the match for the child care required.

We believe that Congress should consider increasing the federal matching rate requirement to speed implementation of the JOBS program. In addition, Congress must consider increasing the level of the capped entitlement. Even with full utilization of current funds,

the existing level of funds will be inadequate to meet the need and mandated program requirements. For example, at the current expenditure levels just 16 percent of those recipients required to participate were enrolled in the program. Only about one in ten of all adult AFDC recipients participated in JOBS in that year.

Reinventing Welfare

The Family Support Act proposed to change the culture of welfare offices and to develop systems that would ensure assessments and develop individualized employability plans for JOBS participants. However, these fundamental changes have yet to be realized. States, in a survey conducted by NGA during January, responded that they could make better use of their existing staff resources if the role of eligibility workers was redefined and reoriented. They are frustrated that the current income maintenance system spends so much time on "time-consuming, low-value" eligibility rules that there is little time to address barriers to self-sufficiency. The recently completed JOBS implementation study of ten states undertaken by the Rockefeller Institute of Government supports the need for significant changes at the delivery level. Irene Lurie, study co-principal investigator, in her testimony before the House Ways and Means Subcommittee on Human Resources, pointed out:

Large caseloads and heavy paperwork prohibit case managers from working intensively with clients. To serve individuals who have greater barriers to participation, additional staff are needed for more comprehensive assessments, intensive case management services, and additional supportive services such as substance abuse treatment.

A true change in the culture of welfare offices requires both program saturation and a change in the federal emphasis on eligibility and payment error rates alone. Greater funding combined with a lower match will let us serve a larger percent of the caseload. In

addition, we would urge Congress and the administration to work with the states to ensure that performance measures recognize the importance of employment.

Participation Requirement. There are also some perverse incentives in the current law. States have worked hard under extremely adverse conditions to implement the provisions of the Family Support Act, and to establish meaningful JOBS programs. However, the current law creates sanctions and lessens the federal match from the 60 percent or Medicaid match rate to 50 percent if states do not meet prescribed federal participation requirements for the basic JOBS program overall, and much higher requirements for the AFDC-UP (unemployed parents) program. For many states, the combination of the basic participation requirement, combined with the higher requirement for the AFDC-UP program and other program requirements, creates participation rates far beyond what states are able to accomplish given limited resources. Governors believe and urge Congress to consider the adoption of participation targets, which reward progress, rather than sanctions, which penalize irrespective of mitigating factors.

Welfare Reform

Changes such as those described above will help improve the JOBS program and should be considered as Congress addresses welfare reform. However, as states have moved ahead in implementing the FSA, there is a growing recognition that JOBS, while a vital component, is not enough. Additional changes are needed to encourage and reward work and responsibility.

As in the development of the FSA, states are in the forefront of change in the current welfare system, with almost twenty states undertaking demonstrations of different aspects of reform, all looking for ways to create opportunities for employment and self-sufficiency.

for recipients, as they restructure the income support system in the state. States in this area truly remain the laboratories of democracy.

The National Governors' Association (NGA) welcomes the commitment of the President and his administration to reform the current welfare system and we appreciate his readiness to involve the states in the development of his proposal. In addition, we look forward to working with the members of the House and Senate in shaping a program that truly moves individuals and families from dependency to self-sufficiency.

In anticipation of that continuing discussion, I would like to submit for the record the conceptual framework for national welfare reform adopted by the National Governors' Association at our annual meeting in Tulsa last August. That framework was grounded in the work of a state and local welfare reform task force. It deals with the range of issues that need to be considered for reform of the system: movement to temporary cash assistance, the Earned Income Tax Credit (EITC), job development, work and community service, support needs such as child care, health care, and transportation, child support enforcement, and steps needed during a period of transition, including improvements in the JOBS program. To spearhead NGA's efforts this year, Chairman Carroll Campbell of South Carolina appointed a gubernatorial Leadership Team to work on welfare reform issues, chaired by Governors Tom Carper of Delaware and John Engler of Michigan. Its membership includes a strong bipartisan group of Governors.

Mr. Chairman, I would be happy to answer any questions.

Ms. WOOLSEY. Thank you very much. Mr. Jackson.

Mr. JACKSON. Madame Chairman, members of the subcommittee, thank you for the opportunity to testify today. I am the Commissioner of the Virginia Department of Social Services. My name is Larry Jackson.

I am testifying today on behalf of the American Public Welfare Association, which is a 64-year-old nonprofit bipartisan organization that represents all the human service departments around the country.

In my testimony today I would like to briefly discuss implementation of the JOBS program and share with you some recommendations. It is important that national policymakers understand not only the problems associated with welfare dependency but the fact that some of our efforts today are working.

The JOBS program is a success. It's modest but it also must be recognized that it's in its infancy. It has only been in existence in all States for 18 months and, in fact, some work for the focus group in California in January would indicate that there are people in this country who do not even know there is a JOBS program or believe that one exists, even when they see the legislation.

We are proud of the strides that many States made in implementing the JOBS program, given the competing pressures over the last few years, including those coming from the health care issues, education issues, and prison issues in the States.

We believe that the funds States have spent on the JOBS program underscore that commitment to the program and to the notion of self-sufficiency. Total Federal and State jobs in child care spending for fiscal year 1993 may be as high as \$1.8 billion. This is in the face of the lingering effects of the recession, continuing high unemployment, and unparalleled growth in both the AFDC and food stamp programs.

But only 500,000 people per month are now being served in JOBS. If we want to program to touch and benefit even more poor families and we are going to need to increase the capacity to do so.

In addition to the need for increased Federal support for the program, there are a number of improvements that Congress and the administration, in consultation with the States, should pursue to strengthen the program and I would suggest with or without welfare reform.

First we can start by setting realistic expectations about what JOBS can and cannot achieve. While JOBS is having a positive impact on employment earnings and welfare savings, these impacts are acknowledged to be modest. The JOBS program in and of itself cannot produce large reductions in the welfare caseloads.

Few remember the Congressional Budget Office at the time this legislation was passed indicated that only 50,000 families would leave welfare due to the JOBS program during the first five years of operation. Madame Chairman, during the past three years there were many months across the State who went over 50,000 families a month were added to the AFDC rolls.

Second, as effective as States like California and Florida have been in raising earnings and savings, keeping JOBS participants employed remains our greatest challenge. Enactment of health care reform, insuring access to quality child care, and making sure that

everyone who is eligible takes full advantage of the EITC should be essential goals of the real reform leading toward family self-sufficiency.

Third, there is a tremendous administrative burden both on staff and families in the States in the operation of the AFDC and food stamp programs. APWA has identified over 57 policy proposals that would streamline these systems and make it easier to run them, as well as less expensive.

Fourth, we commend the Federal Government for committing resources for training and technical assistance during the early stages of Family Support Act implementation. This needs to continue because at the State and local level staff must retool their thinking and their behavior and training is key to that.

Family Support Act called on the HHS Secretary to submit recommendations to Congress on development of performance measures but to date no recommendations have been submitted. While many States have established their own performance standards, we have no way on a national basis of actually assessing client progress relative to whether or not people do get jobs and retain them.

Finally, Mr. Chairman, States continue to express concern about the 20-hour rule and the degree to which it drives programs or fails to take into consideration those participating educational components.

Madame Chair, on January 11, 1994, the American Public Welfare Association released a series of recommendations that State and local human service administrations see as a critical next step in restructuring the welfare system.

The recommendations represent a bipartisan consensus of opinion among a broadly diverse group representing a variety of States' views on welfare policy. Our recommendations build on the Family Support Act and the JOBS program that reward and support hard work.

There are no exemptions from participation in JOBS under our proposal. Everyone is required to do something with the goal of using welfare as a temporary source of support. Time limits are imposed and there will be penalties for those AFDC parents who fail to take the responsibility serious. Penalties will not be imposed, however, if resources aren't available or if jobs do not exist.

The written testimony outlines our proposal in detail and it is our hope, Madame Chairman, that we have the opportunity to discuss our proposal in greater detail at a later date.

I would be happy to answer any questions.

[The prepared statement of Mr. Larry Jackson follows:]



AMERICAN PUBLIC WELFARE ASSOCIATION

Kevin W. Concanon, President
A. Sidney Johnson III, Executive Director

WRITTEN TESTIMONY

**LARRY D. JACKSON, COMMISSIONER
VIRGINIA DEPARTMENT OF SOCIAL SERVICES**

ON BEHALF OF

THE AMERICAN PUBLIC WELFARE ASSOCIATION

BEFORE

**THE HOUSE EDUCATION AND LABOR
SUBCOMMITTEE ON HUMAN RESOURCES**

TUESDAY, APRIL 19, 1994

Introduction

Mr. Chairman and members of the Subcommittee on Human Resources, thank you for the opportunity to testify today. My name is Larry Jackson. I am commissioner of the Virginia Department of Social Services and serve in several positions with the American Public Welfare Association--on the Board of Directors, chair of National Council of State Human Service Administrators and chair of the Task Force on Self-Sufficiency. APWA is a 64-year old nonprofit, bipartisan organization representing all of the state human service departments as well as local public welfare agencies, and individual members.

In my testimony today, I would like to briefly discuss implementation of the Job Opportunities and Basic Skills (JOBS) Training Program and APWA's proposal for welfare reform.

Positive Impact

The current public policy debate on the need to reform the nation's welfare system comes a little more than five years after passage of the Family Support Act--a bill that was approved by the House by a vote of 347-53. The passage of the act resulted in a new and comprehensive strategy in support of families--improved child support services; comprehensive education, training, and employment activities; transitional child care and medical care; and financial assistance to two parent families.

That landmark legislation was built upon a very strong bipartisan consensus on the need for programs and policies to reflect values: values like mutual obligations between citizens and society; and education and job opportunities tied to individual responsibility. Much of what we hear today echoes the rhetoric behind the Family Support Act: concern with dependency, individual responsibility, and work in place of welfare.

It is important that national policy makers understand not only the problems associated with welfare dependency but the fact that efforts underway, today, are working. The JOBS program is a success -- a modest one, to date, given the enormity of its task and the fiscal constraints we all feel. It is important to remember, Mr. Chairman, that this program is in its infancy. It was just 18 months ago that all states began operating the program on a statewide basis.

Early findings from studies of programs in California and Florida conducted by the Manpower Demonstration Research Corporation (MDRC) show that JOBS is having a positive impact on employment earnings and welfare savings. In a two-

year follow-up of JOBS participants in your home state, Mr. Chairman, MDRC found that those in JOBS earned 24 percent more than AFDC recipients not participating in JOBS. MDRC also found that after two years, welfare payments were seven percent lower for JOBS participants than the average amount received by a control group. In Florida, JOBS participants earned nearly seven percent more than a control group and received nearly seven percent less in welfare payments. MDRC President Judith Gueron has said in previous testimony before Congress that the results from California and Florida "confirm an emerging story about JOBS' effectiveness in increasing employment and reducing welfare dependency."

State Spending

The states' commitment to the JOBS program is reflected in the steady increase in state funds allocated for the education, employment, and training program. In fiscal year 1991 states spent \$400 million of the \$1 billion available in federal funding. In fiscal year 1992, \$660 million of the \$1 billion available was spent, and in fiscal 1993 it is estimated that states obligated \$823 million and are expected to spend approximately \$700 million of the \$1 billion available.

Another element that demonstrates state commitment to the JOBS program is the amount of state spending for AFDC child care. The reality is that states are spending for AFDC child care nearly as much as they spend in JOBS. In fiscal year 1993, for example, total federal spending for JOBS and child care was estimated at \$1.2 billion. Total federal and state JOBS and child care spending for that year may be as high as \$1.8 billion. States are making this financial commitment in the face of the lingering effects of the recession, continuing high unemployment, and unparalleled growth in the AFDC and food stamp programs.

Implementation and Caseload Growth

Mr. Chairman, July 1989 was the first month in which states could begin implementing the JOBS program. It is also the first of 36 months of consecutive growth in the AFDC program--growth that was precipitated by the poor economy and increases in out of wedlock births. Since July 1989, AFDC caseloads have risen by 34 percent nationally and food stamp caseloads by 47 percent (36.5 percent and 63 percent respectively in Virginia.) In January 1994, the latest date for which national data are available, there were 14.2 million people in over 5 million families receiving AFDC. Nearly 27.4 million people received food stamps. During this same period, according to the National Association of State Budget Officers, Medicaid spending also grew at a rapid rate with states experiencing increases of 28 percent in fiscal 1991, 31 percent in fiscal 1992, and

14 percent in fiscal 1993. States are expecting to spend 11.2 percent more for fiscal 1994.

This unparalleled growth provides a dramatic backdrop for the challenges faced by states as they began implementing the new JOBS program. It is clear, Mr. Chairman, that the amount of funding states have allocated for the JOBS program is significant in light of the high caseload growth and fiscal stress experienced at the state and local level.

We believe that the funds states have spent on the JOBS program underscore the commitment to the program and to the notion of self-sufficiency. If we want the JOBS program to touch and benefit even more poor families, however, more federal dollars have to go into the program. We need to increase the current capped entitlement and federal financial participation for the program. We need these resources now, Mr. Chairman, not when new welfare legislation is implemented one, two, or three years from now.

Targeting of Resources

Nationally, there are approximately 500,000 people participating in the JOBS program each month. In fiscal year 1992, the latest period for which we have national data, approximately 40 percent were in education activities (high school or post-secondary education) and over 20 percent in job training or in a job readiness activity. Twenty-eight percent of those in JOBS participated 20 or more hours per week. Over one-third participated 16 to 20 hours, and 38 percent participated less than 16 hours per week. In Virginia, we served approximately 8,100 participants with about one-third participating in an education activity. Approximately 18 percent participated 20 hours or more per week and 35 percent participated in the JOBS program between 16 and 20 hours per week.

As you know, Mr. Chairman, the JOBS program was designed to target services to those who were long-term recipients or at-risk of long-term stays on welfare. In fiscal year 1992, 74 percent of those participating in the JOBS program were among the hardest to serve individuals in the AFDC caseload. Nearly 43 percent had been receiving AFDC for 36 out of the previous 60 months, and over 18 percent were under the age of 24 and either did not have a high school diploma or had not previously held a job. In fact, Mr. Chairman, of those served in the JOBS program in fiscal year 1992, 42 percent had not completed the 12th grade, and 18 percent failed to complete the ninth grade.

We've had a similar experience in Virginia. In fiscal year 1992, 63 percent of those in JOBS were either long-term recipients or those at-risk of long-term

dependence. Over 44 percent were receiving AFDC for 36 out of the previous 60 months, and 15 percent were under the age of 24. Over 83 percent of those served in Virginia's program during fiscal year 1992 did not complete high school, with 30 percent failing to complete the ninth grade. The total number of JOBS participants entering employment in Virginia grew from 2,600 in fiscal year 1991 to over 3,000 in fiscal 1992, an increase of 85 percent. Our job retention rate 90 days after placement is averaging over 80 percent. We continue to exceed the participation rate requirements each year, but there are 23,000 AFDC recipients we are not able to serve because of lack of resources.

The Promise of JOBS

APWA is proud of the strides made by states in implementing JOBS given the competing pressures of the last few years. It is frustrating to note, however, that most of the public does not know this program exists. In a series of focus groups in California two years ago, participants challenged the pollsters when they were told that there is a mandatory employment and training program now in place for welfare recipients. When shown a copy of the Family Support Act of 1988, they questioned its authenticity. Clearly, we have not done a good job of "telling the good news" about JOBS. APWA has recently received foundation funding to work with states to share information about their JOBS programs with the media and public. We think this project will increase public awareness and support for the program.

Strategies to Improve the Program

In addition to the need for increased federal support for the program, there are a number of strategies the Congress and administration, in consultation with the states, should pursue to strengthen the program.

- Realistic Expectations: We can start with setting realistic expectations about what JOBS can and cannot achieve. While JOBS can have a positive impact on employment earnings and welfare savings, the impacts will be modest. The JOBS program in and of itself will not produce large reductions in welfare caseloads. Few remember that the Congressional Budget Office estimated that only 50,000 families would leave welfare due to the JOBS program during the first five years of operation. During the past three years there were many months in which 50,000 families per month were added to the rolls.
- Work Support: As effective as Florida and California have been in raising earnings and savings, keeping the JOBS participant on the job remains a critical challenge for states. Everyone is pointing to the importance of "making

work pay" in the current welfare reform debate—enactment of health care reform that ensures universal health care coverage, access to quality child care options, and making sure that everyone who is eligible takes full advantage of the expansions in the Earned Income Tax Credit enacted by Congress. *These policy changes must be enacted sooner—not later—if states are to be successful in improving job retention.*

- Welfare Simplification: The Family Support Act *did not* address the need to streamline the up-front eligibility process in AFDC and food stamps. Current policies in both programs are complex and often conflicting. This places a tremendous administrative burden on families and workers, leaving little or no time to work on goals leading to self-sufficiency. APWA has identified 57 policy proposals to streamline the system, which we have shared widely in Congress. We strongly encourage this subcommittee to work toward ensuring these proposals are enacted as part of welfare reform.
- Training and Technical Assistance: We commend the federal government for committing resources to training and technical assistance during the early stages of implementation of the Family Support Act. We must continue to give a very high priority to understanding more about what works and what doesn't work in the JOBS program. We strongly encourage the Congress and administration to make training and technical assistance among the highest priorities in welfare reform.
- Development of a Performance Standard System: Federal data reporting requirements emphasize process measures and not client outcomes. As a result, program success is being measured largely by the degree to which states are meeting minimum requirements for client participation in program activities—not the efficacy of those activities. The Family Support Act called on the HHS secretary to submit recommendations to Congress on performance-based outcome measures, but no recommendations have been submitted to date. While many states have established their own performance standards these are not universal. There is presently no way to assess the quality of client progress, identify exemplary program practices or judge how to target technical assistance to states and localities. Development of a performance standard system must be addressed in welfare reform, and if a welfare reform bill is not enacted, Congress and the administration, in consultation with the states, should move quickly to develop such a system.
- Statutory and Regulatory Relief: States continue to express concern about the 20 hour rule and the degree to which it drives program design or fails to take into consideration those participating in education components. We also

continue to call for reconsideration by Congress of the methodology used to calculate participation rates, especially under the AFDC-Unemployed Parent program.

APWA Proposal for Reform

On January 11, 1994, APWA released a series of recommendations that state and local human service administrators see as the critical next steps in restructuring the welfare system. The recommendations represent a bipartisan consensus of opinion among a broadly diverse group representing the variety of state views on welfare policy. Our Task Force includes commissioners from many of the states--including my own--that have undertaken or plan to undertake demonstration projects through the federal waiver process. The APWA recommendations, Mr. Chairman, were the first bipartisan recommendations for welfare reform in the current welfare debate. And, until last week when Senators Harkin and Bond introduced the "Welfare to Self-Sufficiency Act," they were the only bipartisan recommendations.

As Congress considers welfare reform legislation APWA state and local human service administrators stand ready to offer our knowledge and experience. Our recommendations build on the Family Support Act. They reward and support hard work. Under our proposal, everyone is required to do something with the goal of using welfare as a temporary source of support. There will be penalties for those AFDC parents who fail to take their responsibilities seriously. Penalties will not be imposed, however, if resources aren't available or if jobs do not exist.

Agreement of Mutual Responsibility

Our proposal is based on the premise that welfare should reflect mutual responsibilities on the part of the parent and welfare agency. When applying for AFDC the parent must sign an "Agreement of Mutual Responsibility." If the parent refuses to sign the agreement, the application process stops. The parent would not be eligible for financial assistance.

In signing the agreement both parties enter into a contract. The welfare agency agrees to provide financial assistance and the individual agrees to participate in: (1) an assessment of his/her education and literacy needs, work experience, strengths and interests, and personal circumstances; and (2) the development of an employability plan outlining goals for employment, the responsibilities of the parent and the agency in meeting these goals, and the specific steps to be undertaken.

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Basic Elements of the Program

We propose a three-phase program, building on the current Job Opportunities and Basic Skills (JOBS) Training program in which, within 90 days of eligibility determination, all AFDC recipients will be required to participate in mandatory job search in combination with:

- A JOBS preparation phase; or
- Up to a limit of two years in a JOBS career-focused education and training phase; and/or
- A JOBS mandatory work phase in which AFDC parents would be required to work in an unsubsidized private or public sector job, with community work experience available as a last resort for those who complete JOBS and are unable to locate unsubsidized work.

There are no exemptions from participation in JOBS under our proposal.

JOBS Preparation

Individuals who enter the JOBS preparation phase would include those the welfare agency believes have limited skills or whose personal circumstances present barriers to employment such that they need more than two years of education and training. They could include individuals temporarily incapacitated due to a physical or mental illness or because of a substance abuse problem; those caring for an incapacitated adult or child in the household, individuals with very low literacy levels and no recent work history; young parents still in school, or mothers of very young children. These individuals, nevertheless, would participate in an activity as a condition of eligibility, such as training in parenting skills, regularly receiving necessary health or behavioral health care, and making progress on or completing their GED or high school diploma as identified in their employability plan.

APWA is proposing a "graduation rate"--an outcome-based performance standard measuring parents' movement out of the JOBS preparation phase-- as a requirement for states to meet to ensure that participants in JOBS preparation move on to career-focused education and training.

Career-Focused Education and Training

Individuals who enter the JOBS career-focused education and training phase are those the state believes will be employable after up to two years of education and training or those, while they might be considered for JOBS preparation, who volunteer to participate in education and training. States would operate the program as they do today—offering a full range of services and activities to promote job readiness and employment. Everyone will participate in job search. They will be expected to begin the process of looking for and going to work from the very beginning. Our goal is to ensure that individuals obtain employment before the two-year deadline.

Mandatory Work Requirement

After up to two years in education and training participants will be required to work. Our highest priority is that these individuals work in unsubsidized employment in the private or public sectors. Individuals working at least 20 hours per week are considered meeting the mandatory work requirement under our proposal. Those working at least 20 hours per week and still receiving AFDC will continue to receive child care, support services, and other employment and training assistance necessary to enable them to stay employed. If a parent cannot find work and agency resources are not available to support a parent's satisfactory participation in a work activity, including Community Work Experience (CWEP), the mandatory work requirement will not be imposed.

We call for a variety of approaches to ensure that this happens, and I will describe those for you in a few moments. For those not working in unsubsidized employment, we recommend placement in CWEP as a last resort. As stated in our report, "While administrators anticipate a significant expansion of CWEP because of the increased numbers of AFDC parents required to participate in preemployment or employment activities, they note that it will have limited value for parents who are job ready and have previous work experience."

Our experience tells us that we must be realistic about the ability of states to operate a large scale CWEP program as the cost can be high and labor intensive—developing work sites and providing supervision, monitoring and follow-up with the employer and the client. We know from the MDRC research conducted in the 1980s that CWEP is feasible to operate and that participants and supervisors found the work meaningful. The programs we have operated in the past and those studied by MDRC, however, were small in scale with little evidence to support the idea that CWEP on its own leads to consistent employment or reductions in welfare caseloads or costs.

The challenges posed by CWEP are significant as we move to scale. I caution the Congress against having overly high expectations about the efficacy of this approach in moving large numbers of recipients into unsubsidized employment or in reducing caseloads or costs. In addition, while CWEP can serve as a structured, meaningful work activity for the AFDC recipients facing a mandatory work obligation, states do not currently have the administrative capacity or experience to operate a large-scale work program of this nature.

Penalties

I want to underscore that sufficient federal and state resources must be provided to ensure that those participating in JOBS can meet the requirements for satisfactory participation, and that is why we are calling for 90/10 funding. If resources are available and AFDC parents fail to participate in the development of their employability plan or to comply with the plan as required, we propose a penalty reducing the family's combined AFDC and food stamp benefit by 25 percent. We believe such a penalty is realistic and necessary for any parent who fails to take his or her responsibility seriously.

Other Policy Priority Areas for APWA

The report also addresses issues of prevention and cross-system collaboration. It takes the challenge of reform beyond the welfare system. The centerpiece of our proposal is work, but the goal of true reform cannot be fully achieved if we do not "make work pay," as I described earlier.

We must improve the establishment of paternity and the enforcement and collection of child support with particular attention focused on improving interstate enforcement of child support. Currently, the easiest way to avoid child support is merely to move to another state. We call specifically for states to provide uniform rules for jurisdiction of orders through the Uniform Interstate Family Support Act (UIFSA), a model law developed by the National Conference of Commissioners on Uniform State Laws.

As stated earlier, we also call for expanded funding and improved access to available federal funds for the current JOBS program—both before and after welfare reform legislation is enacted and implemented by states. In addition, we should act now to simplify and coordinate existing public assistance programs.

And finally, Mr. Chairman, as you know, the majority of states are pursuing state-based reforms of the welfare system through waivers of federal laws and

regulations. Congress created this mechanism to encourage state experimentation and innovation. We believe a number of the waivers now being granted to states by HHS and USDA should not have to meet the tests of cost neutrality and experimental design. We call for more flexibility within the current process, including allowing states to use the state plan process to implement changes in AFDC and food stamp programs.

Job Creation

Our proposal emphasizes the need for employment that results in family self-sufficiency as the successful endpoint for both client and agency efforts. We underscore the preference for jobs in the private sector--the primary source of our nation's economic growth and development.

We recognize the lack of private sector jobs available today for many Americans who are poor. We therefore call for a new, adequately funded job creation strategy to support employment of low income individuals in the private sector. We propose targeting 75 percent of the new jobs created under this new initiative to JOBS graduates and 25 percent to unemployed economically disadvantaged youth and adults.

We believe that under an adequately funded welfare reform program, expansion of on-the-job training, work supplementation, and the use of the Targeted Jobs Tax Credit can serve as useful tools in the placement of JOBS graduates in private sector jobs. We recognize, however, that these placement tools are now used on a small scale and will likely serve only to supplement other job creation efforts. In fact, Mr. Chairman, there were less than 1,900 participants in on-the-job training and only 673 participants in work supplementation in JOBS in fiscal year 1992.

We commend Congress and the president for creation last year of the National Service Corp. We believe that National Service can and should serve as a valuable work and education alternative for AFDC parents and their children. We believe, however, that AFDC recipients should become a target group under the program. In fact, we recommend that AFDC recipients be identified as a target group in any new or reauthorized community development, economic development, or private sector job creation program enacted by Congress. I believe such targeting is much more feasible--politically and fiscally--than creating a new, separate public service jobs program for AFDC recipients facing a mandatory work obligation under welfare reform.

I thank you, Mr. Chairman, for the opportunity to testify today. I would be happy to answer any questions you may have.

Ms. WOOLSEY. Thank you very much. I'm going to start with Mr. Scott and let him have the advantage of going first.

Mr. SCOTT. Thank you. I just have a couple of questions. We talked about child support earlier today, Larry, and could you just tell us a little bit about how Virginia has improved its child support enforcement?

Mr. JACKSON. I would be happy to. I think going back about six years there are a couple of areas that I would like to talk about then and relate where we are now. At that time, Virginia had about 50,000 child support cases. Today that number is over 320,000 cases that we are working.

In 1987 we established paternity in about 2,000 cases. This year we will establish paternity in over 20,000 cases, which represents about 80 percent of the out-of-wedlock birth rate in Virginia at the present time.

In 1987 we collected in the neighborhood of \$30 million. This year we will push the \$200 million number for this year. I might add, however, and I guess the other thing that I would be remiss if I didn't mention—there are two things.

Virginia six years ago probably had the worst child support legislation in the country and thanks to the good work of certain people—one of them sits on this committee—and a real bipartisan effort—

Mr. SCOTT. And one of them sits right behind me.

Mr. JACKSON. Well, and a real bipartisan effort on the part of the General Assembly over the years. I would respectfully suggest that Virginia probably has some of the premiere child support legislation in the country.

And we also in March brought up our automated system, which is only the second system in the country that meets all the requirements of the Family Support Act of 1988. Montana being first. However, we are still chasing them for Federal certification.

And all of those things have been very well-supported by the General Assembly and by the various governors of Virginia.

However, Mr. Chairman, with all of that we are adding 2,400 child support cases a month to the caseload in Virginia. I would suggest probably that is not unusual. It's probably going on around the country.

And I can tell you, we cannot move fast enough to take care of that kind of an increase in the way that it needs to be taken care of and I am extremely concerned about what the future is going to be, both in terms of trying to provide leadership in that kind of environment and manage that in a way that gets the benefits to the kids and families that deserve them and need them. It is an unprecedented situation, part of which we probably have created ourselves by being aggressive.

But on the other hand, if that is what happens when you get aggressive, then other States and the Federal Government are going to think seriously about how we are delivering that program.

Mr. SCOTT. Has the child support enforcement helped the success of the JOBS program?

Mr. JACKSON. I have no data that would indicate directly how child support has helped the JOBS program, although we do know that even with low-paying jobs if there is child support coming in

on the other side we have a much better opportunity for that person not having to be on welfare or receive other subsidies from the government. I have no firm data that says how much of that goes on.

Mr. SCOTT. But for somebody who is placed in a low-wage job, the child support helps make the arithmetic work.

Mr. JACKSON. Absolutely. It helps make the numbers work. No question about it.

Mr. SCOTT. And how many people will be placed in jobs under the JOBS program in Virginia?

Mr. JACKSON. We've placed about 24,000 in JOBS. We also have a waiting list in excess of 20,000.

Mr. SCOTT. A waiting list to get into the JOBS program?

Mr. JACKSON. To get in the JOBS program. And the last numbers I saw from Newport News, I believe looked like something like over 400 on that waiting list.

Mr. SCOTT. Are the jobs there if we got them trained?

Mr. JACKSON. Well, then you get down to what is a job. And I've heard some of that argument today and I've heard it for the last two years. Is it a job if it's a minimum wage job or is it a job if it's a \$6-an-hour job?

I think that's something that we're really going to have to struggle with. All the economic reports that everybody reads, including an extremely poignant article out of the Wall Street Journal back in November, if you can call any article in the Wall Street Journal poignant, indicated very clearly that what has happened with the buying power of the minimum wage over the last 20 years is really very devastating.

Mr. SCOTT. What has happened with what?

Mr. JACKSON. The minimum wage, the buying power of the minimum wage. And so that a \$4.25-an-hour job today is not worth what the \$1.25-an-hour job was worth 20 years ago.

And it seems to me that even at six, seven and eight dollars an hour there is going to have to be some recognition that we aren't dealing with a welfare problem; we're dealing with a poverty problem.

And how are we going to resolve that in terms of what is the society willing to do to provide subsidy and whether that is a child care subsidy, health care subsidy, transportation subsidy, or whatever it is. And then on the other side taking into consideration what this country needs to be able to do in order to compete in a global economy.

This is a very complicated issue and I hesitate to try to think about it in terms of just the AFDC or food stamp recipient because I think it's much broader than that.

Mr. SCOTT. Thank you, Madame Chairman.

Ms. WOOLSEY. Thank you. I just wanted to say that better child support collection not only would help families stay off welfare, but it would allow poor people to know how much is coming in every month so they can budget. That is one of the major differences.

And one more point. Children who think one of their parents doesn't care enough for them are at a terrible disadvantage when that parent doesn't help provide for their support. So I have a Fed-

eral system that I have introduced here for collection of child support so that all the States can work together.

Mr. Scheppach, you said that in 1993 fourteen States claimed their full share of the Federal funds allocated to the JOBS program. In working with the governors of these States and from others, did you see any significant difference in the quality with which these States were able to serve their AFDC recipients? Did they actually do a better job?

Mr. SCHEPPACH. Well, some of those States, as I remember, are some that have had stronger underlying economies so they were more able and probably more willing not to draw down money and make the investment because, to some extent, the jobs were there.

I think part of the problem in the other States is a combination of slower economic growth and so, you know, can you place the individuals. I think where you've got stronger economies the State has more revenue and you've got the jobs. I think that's one of the major differences.

Ms. WOOLSEY. So, in other words, if the State had a better economy, it was easier for them to be in the program; therefore, it's like a closed loop, isn't it?

Mr. SCHEPPACH. I think the other thing too is if I look at the list, as I remember, a lot of those States were the small States. I think New York may have been the only large State that, in fact, drew down their total.

So, again, it was the smaller States who could get up and running and draw down the money more quickly than some of the larger States.

Ms. WOOLSEY. Okay. Mr. Jackson, just one question and then I think probably everybody is going to want to get out of here.

When we talk about jobs that pay a family wage, do you think the States or the training programs will be able to actually identify the jobs to train people for?

They should be evaluating the programs' outcome instead of how many people are in the system. Are we going to be able to, in the short term, come up with some guidelines so we can do this right, invest our Federal money in jobs that pay enough for the people to actually get off welfare in the long run?

Is that a reality?

Mr. JACKSON. First of all, I think it depends on how many jobs you want.

Ms. WOOLSEY. Well, we want everybody off welfare that can get off.

Mr. JACKSON. If we want everybody off of welfare, no, I don't think that's going to happen. If you take the project that Mark Greenberg referenced earlier in Virginia, 600 jobs for people that pay \$17,000 a year or more, that is very doable.

And I think it's doable because—and I think it would be doable in a number of places because I don't think that we as government we work very well with the private sector. I don't think we've engaged the private sector to the extent that they could be engaged in terms of developing jobs working with our various agencies and finding jobs for people.

I don't think we have marketed very well that it is in the private sector's own best interest to have people employed as opposed to them not being employed. I think a lot more could be done.

Secondly, I don't think that we have moved into the area of self-employment and entrepreneurship that we could. I think if you—again if you read where the jobs are going to be, they are going to be in small business and they are going to be among the self-employed. That is where jobs are going to take place in this country over the next X number years. If that is true, then what is wrong with the population we deal with in terms of moving in that direction as well?

Thirdly, I think that we need to look very carefully at the funding streams that are coming into the States that have to do with economic development, have to do with job development, have to do with job training, and see if there isn't some way to leverage those dollars or streamline them in such a way that we begin to focus on what it is we want.

What is the goal? What are we after here, as opposed to them being all over the place. The workforce leadership council we put together in Virginia comprised of the agency heads who have anything at all to do with employment, education and training, including the four-year schools and community colleges, social services, whatever, has begun in that effort.

And Governor Allen's administration is going to come back and look at that and reembrace that, I think. And that was a good first step in terms of what can be done at the State level.

But believe me, when we started looking at what was coming down from the Federal level it's a pretty complicated pot of money.

Ms. WOOLSEY. Mr. Chairman.

Chairman MARTINEZ. Hi.

Ms. WOOLSEY. Welcome back to your meeting.

Chairman MARTINEZ. I had expected to be back a lot earlier, but I'm sorry I wasn't.

Ms. WOOLSEY. That's all right. It went well. We missed you though. Would you like to add anything?

Chairman MARTINEZ. No, really just things, the concerns I expressed in the beginning is that I think that we are going to need to be—if we are going to be serious about this commitment we need to provide the funds to be able to do it with.

And you were talking a little bit when I came in about the kinds of salaries people should expect and I think that's reasonable to expect that the training that we're providing for them that it be able to put them in jobs like that.

One of the things that we found with JTPA is that too many times people were rushing people through JTPA just to get the money. It provided jobs for the service providers, provided jobs for the people who were doing the training, provided a job for the executive directors of the PICs and everybody else, but it really didn't do what we intended it to do in the beginning.

And a part of any job training program there has got to be another component to it, and that is creating the jobs. And like you say, it's the small business. When you train people too and don't think that it can't be done, if people who start out as welfare recipients but end up being their own business and owning their own

business, but they can. If they are trained properly and educated and motivated they can do that, and that is where a lot of the jobs are going to come from is small business.

And somewhere or another we have got to make up our minds in the Federal Government that we have got to pass a seamless package of public work programs that will create instant jobs because it's not just a job you create in the, let's say, construction sector with a public work program. It's the fact that those people are now working in that have money to go out and spend and create other jobs, service jobs, whatever the jobs are, but jobs where people can make good money. And I think it's got to be a part of a comprehensive program.

We have a tendency here to think in terms of just this program, just this end of it, not how it impacts on the total economy. And let me tell you something. Business people don't figure that way. Business people figure every last detail of what is going to affect their business and they can take into consideration for that when they are planning.

So I want to close it up.

Ms. WOOLSEY. Well, thank you. I want to close by thanking each and every one of you for your testimony today. As the subcommittee considers welfare reform in the coming months we will certainly take into consideration the comments and suggestions you have offered regarding the job training program.

With your cooperation we can improve the JOBS program and insure that it can be effective in moving people into employment and out of poverty.

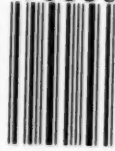
So thank you very much. The hearing is now adjourned.

[Whereupon, at 12 p.m., the subcommittee was adjourned, subject to the call of the Chair.]

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